TOMYPAK HOLDINGS BERHAD

Registration No. 199501008545 (337743-W)

Annual Report **2023**

INSIDE THIS REPORT

Strength, determination and resilience depicted by the distinct vector shapes on the cover of our Annual Report for FY2023 symbolise our resolute and strive towards a brighter future as we seek to turn the challenges of the past 18 months into opportunities for growth. Our recovery strategies have enhanced our capabilities and renewed our confidence, and with a strong focus on achieving our sustainability goals, we are optimistic of better performance moving forward.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Mr. Yong Kwet On
Non-Independent Non-Executive Director

Members

To' Puan Rozana Binti Tan Sri Redzuan
Independent Non-Executive Director

En. Azmi Bin Arshad
Executive Vice Chairman
(Redesignated on 17 October 2023)

Mr. Lim Bee Leong
Independent Non-Executive Director
(Appointed on 1 February 2023)

Datuk Kamal Bin Khalid
Independent Non-Executive Director
(Resigned on 31 December 2022)

Mr. Tan See Yin
Executive Director
(Resigned on 2 May 2023)

Mr. Lee Kwee Heng
Managing Director
(Appointed on 1 February 2023)

Mr. Low Chiun Yik
Independent Non-Executive Director
(Appointed on 17 October 2023)

AUDIT COMMITTEE

Chairman
En. Azmi Bin Arshad
(Redesignated to Executive Vice Chairman on 17 October 2023)

Mr. Low Chiun Yik
(Appointed on 17 October 2023)

Members
To' Puan Rozana Binti Tan Sri Redzuan

Datuk Kamal Bin Khalid
(Resigned on 31 December 2022)

Mr. Lim Bee Leong
(Appointed on 1 February 2023)

NOMINATION AND REMUNERATION COMMITTEE

Chairman
To' Puan Rozana Binti Tan Sri Redzuan

Members
Mr. Yong Kwet On

En. Azmi Bin Arshad
(Redesignated to Executive Vice Chairman on 17 October 2023)

Datuk Kamal Bin Khalid
(Resigned on 31 December 2022)

Mr. Lim Bee Leong
(Appointed on 1 February 2023)

Mr. Low Chiun Yik
(Appointed on 17 October 2023)

INVESTMENT AND DEVELOPMENT COMMITTEE

Chairman
Mr. Yong Kwet On

Members
Mr. Tan See Yin
(Resigned on 1 February 2023)

Datuk Kamal Bin Khalid
(Resigned on 31 December 2022)

Mr. Lim Bee Leong
(Appointed on 1 February 2023)

Mr. Lee Kwee Heng
(Appointed on 1 February 2023)

CORPORATE INFORMATION (CONT'D)

RISK MANAGEMENT COMMITTEE

Chairman
Datuk Kamal Bin Khalid
(Resigned on 31 December 2022)

Mr. Lim Bee Leong
(Appointed on 1 February 2023)

Members
En. Azmi Bin Arshad

Mr. Tok Fu Soon
Senior Manager of Corporate Affairs of Tomypak Flexible Packaging S/B
(Resigned on 10 January 2023)

Mr. Lee Kwee Heng
(Appointed on 1 February 2023)

Mr. Low Chiun Yik
(Appointed on 17 October 2023)

COMPANY SECRETARIES

Mdm. Santhi A/P Saminathan
(MAICSA 7069709)

Mdm. Tai Yit Chan
(MAICSA 7009143)

REGISTERED OFFICE

Suite 9D, Level 9, Menara Ansar
65, Jalan Trus
80000 Johor Bahru, Johor
Tel : +607-224 1035
Fax : +607-221 0891

PRINCIPAL BANKERS

RHB Bank Berhad

United Overseas Bank (Malaysia) Bhd

AmBank (M) Berhad

MBSB Bank Berhad

Hong Leong Bank Berhad

SUBSIDIARIES

Tomypak Flexible Packaging Sdn Bhd
(Wholly owned)

SP Plastic & Packaging Sdn Bhd
(51% owned)

AUDITORS

KPMG PLT
Chartered Accountants
Level 3, CIMB Leadership Academy
3, Jalan Medini Utara 1
Medini Iskandar
79200 Iskandar Puteri, Johor
Tel: +607-266 2213
Fax: +607-266 2214

PRINCIPAL PLACE OF BUSINESS

Head Office & Main Factory
11, Jalan Tahana
Kawasan Perindustrian Tampoi
80350 Johor Bahru, Johor
Tel : +607-535 2222
Fax : +607-535 2228

Sales & Marketing Office
Unit 508 & 510, Level 5, Block A
Kelana Centre Point
3, Jalan SS7/19, Kelana Jaya
47301 Petaling Jaya, Selangor
Tel : +603-7880 4233
Fax : +603-7880 3653

SP Plastic & Packaging Sdn Bhd
Lot 1293 & 1294
Jalan Industri Rembia 9
Kawasan Perindustrian Rembia
78000 Alor Gajah, Melaka

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
(Reg. No. 199601006647 (378993-D))
11th Floor, Menara Symphony
5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor
Tel : +603-7890 4700
Fax : +603-7890 4670

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Sector : Industrial Products
Stock Name : TOMYPAK
Stock Code : 7285

WEBSITE ADDRESS

http://www.tomypak.com.my

COMPANY PROFILE

Since its incorporation in 1979 and listing on the Main Board of Bursa Malaysia in 1996. Tomypak Holdings Berhad and its subsidiaries (The "Group") has established itself as a leader in the flexible packaging marketplace. We ensure quality of the highest standards through innovation and adopting latest technologies and facilities to meet customers' requirements and expectations in terms of quality, for long term success and sustainability. During the financial year under review, the Group has been approved and certified under Food Safety System Certification 22000 ("FSSC 22000 Certification")

The Group's strength is in our people where more than 200 experienced and dedicated employees work harmoniously together with excellent team work. The Group is focused on innovation, consistent quality and timely delivery to ensure long-term relationships, trust and continuous support from our customers.

COMPANY PROFILE
(CONT'D)

GROUP VISION

To be the leading innovator for sustainable high-barrier packaging in the Flexible Packaging Converting Industry in this region.

GROUP MISSION

To be the leading innovator of a flexible food packaging company in this region through:

- provision of value-added high-barrier metallised packaging with our technologically advanced equipment and experienced skilled workforce
- continuous research and development to develop sustainable packaging to meet the requirements of our customers
- efficient production with leading-edge facilities to meet market demands at all times
- creating value for all stakeholders with strong corporate governance and solid financial management

QUALITY ASSURANCE AND CERTIFICATION

We place utmost importance on ensuring that our products are consistently of high quality through a rigorous quality assurance process, state-of-the-art machinery, research and development, innovation and skilled personnel, all of which and whom are upgraded from time to time. This is complemented with the setting up of well-equipped laboratories for continuous improvements, and use of highly specialised latest technologies such as High Resolution Camera Inspection Units., Computer Control Panels and Settings for Inspection as well as Tagging for Uncertainty and Non-Conforming Goods. All such technologies allow for the supply of products that meets the high quality standards demanded by our customers.

In addition, the Group is deeply committed to its long-standing tradition of achieving international certifications to increase competitiveness, quality and customer confidence including:

- FSSC 22000 Certification since 2015
- Raw Materials compliance to global food safety standards such as US Food & Drug Administration, European Community ("EC") Requirements, Singapore Food Act and Malaysia Food Act
- Advanced laboratory test equipment compliant with global test methods such as American Society for Testing and Material to support Research & Development and Quality Control activities
- World's leading ethical trade membership organization such as Supplier Ethical Data Exchange ("SEDEX")

CHAIRMAN'S REPORT

Dear Valued Shareholders,

On behalf of the Board of Directors of Tomypak Holdings Berhad ("Tomypak" or "Company"), I am pleased to present the report on the performance of Tomypak and its subsidiaries ("Tomypak Group" or "Group") for the financial year ended 30 June 2023 ("FY2023")

Yong Kwet On
Chairman, Non-Independent
Non-Executive Director

THE YEAR IN REVIEW

General

We remain focused on our Business Recovery Plan aimed at restoring our operations and overall performance. As we go through our recovery phase, the transition to our recently retrofitted Tampoi plant has been a crucial part of this process, despite the challenges encountered particularly as a result of the worldwide logistics and supply issue due to the Covid-19 pandemic.

We want to assure our shareholders and stakeholders that we are resolute in our efforts to bounce back from this setback. Our goal is to get our newly retrofitted Tampoi plant running at full capacity and return to profitability. Our dedicated team is working tirelessly to ensure a quick recovery, and we appreciate the support and understanding of our stakeholders during this challenging year.

With a concerted effort, resilience, and the support of our stakeholders, we will not only recover but emerge stronger from this adversity. Our commitment to excellence and operational efficiency remains at the core of our strategies as we navigate through these testing times. We look forward to better days ahead and to once again thrive as a productive and profitable entity in the market.

We continue to secure the necessary funds required to support the Group's workforce and facilitate the relocation of our wholly-owned subsidiary, Tomypak Flexible Packaging Sdn. Bhd. (TFPSB) to our Tampoi facility. This move is vital in meeting our obligations and ensuring the timely operational readiness of our own manufacturing facility.

The diligent engagement with our insurers and their appointed adjuster to finalise the settlement of the Material Damage claim after the two Payments on Account resulted in a sum of RM205 million as full payment from the insurers for the Material Damage claim in April 2023. Simultaneously, our team is actively collaborating with the adjuster to conclude the Business Interruption Loss claim, with the objective of resolving this matter and acquiring the necessary funds within 24 months from the occurrence of the fire. To date, we have received interim payments totalling RM30 million for the Business Interruption Loss claim.

With all the concerted effort, the equipment we procured earlier, ranging from 6 to 9 colours printing lines, both dry and extrusion laminating machines, rewinders, slitters and all associated auxiliary equipment, including viscosity controllers, web inspection devices and laboratory apparatus for quality assurance and quality control (QA/QC), along with specialised research & development (R&D) laboratory equipment, were progressively delivered beginning July 2022. These new machines and equipment synergistically enhance our existing bag-making machines and metalizing lines, effectively reinstating the Group with the complete range of equipment to produce for our customers.

Our new facilities have transformed Tomypak Group into a technologically advanced and efficient flexible packaging manufacturer. These cutting-edge facilities, underpinned by automation via a fiber optic infrastructure, mark the commencement of our journey into the era of IR4.0 smart manufacturing. Major civil & structural and mechanical & electrical works have also been implemented to upgrade the Tampoi plant to elevate it to higher standards. As of the end of June 2023, all but one of the machinery and equipment ordered have been successfully installed and commissioned.

Concurrently, the team also works with relevant regulatory and accreditation bodies to secure the essential certifications and licenses that are imperative for our industry. We set out to obtain the critical certification of FSSC 22000, demonstrating our commitment to food safety standards. Moreover, obtaining licensing from local authorities has been a key aspect of this stage, ensuring compliance with legal and regulatory requirements.

We are delighted to share that we have successfully attained all the vital certifications and licenses required to kickstart our production operations in Tampoi. This accomplishment is testament to the dedication and hard work put in by our team to meet the required standards set by local authorities and international bodies. We have also embarked on the journey to acquire various ISO certifications that underscore our dedication to maintaining quality and efficiency across our operations.

Building on this success, we proactively initiated the needed audit programs in accordance with the specific requirements of our key customers. These audits are crucial in ensuring that our operations not only meet but exceed the expectations of our valued customers. This reflects our commitment to delivering products and services of the highest quality, meeting the exacting standards set by our clientele.

Regarding the Senai property, we have made the strategic decision not to rebuild, focusing our efforts on advancing the Tampoi facility. Consequently, plans are underway to divest the Senai property.

As we move forward, having completed this stage with success, we are well-positioned to transition into regular order receipt and fulfilment. We are excited about this progress and eager to further enhance our operations and strengthen our relationships with our customers. This success will pave the way for even greater achievements in the upcoming stages of our journey.

OPERATIONAL AND FINANCIAL PERFORMANCE

Despite the challenges the Group faced through severe disruption of the global supply chain and economic uncertainty, the Group has managed to fully commission the machinery in its Tampoi plant in Q4 FY2023 and also begun producing finished goods in-house gradually. Additionally, the Group is pro-actively seeking potential customers and exploring opportunities in horizontal industries to expand its market share.

In terms of performance, the Group's revenue for FY2023 was RM57.85 million. The decrease was not unexpected as we only focused on fulfilling orders received from our key clients. Whilst some of the operations were carried out at our Tampoi factory, most of these orders were outsourced to our subcon-friendly converters, with the quality control checks conducted by our own personnel stationed at their production facilities. This financial year's performance would not be comparable to the financial period ended 30 June 2022 ("FP2022") of RM167.16 million for the 18 months period due to difference in accounting periods and operating figures from the Senai plant before the fire incident.

CHAIRMAN'S REPORT (CONT'D)

The Group managed to increase its export sales in FY2023 which accounted for 68.83% (RM39.82 million) of the total revenue as compared to 54.65% (RM91.34 million) in FP2022.

The Group foresees sustained improvements in revenue and operational results for the immediate future with revenue to be generated from the newly retrofitted Tampoi facility.

A more detailed discussion on the financial performance and financial position of the Group is provided on pages 19 to 21 under the Management Discussion and Analysis section of this Annual Report.

PROPOSED M&A ANNOUNCED

While the ongoing retrofitting of the Tampoi plant is in progress to resume operations, the Group has also explored other avenues to restore Tomypak to its previous performance level. One significant strategy to achieve this goal was through the intended acquisition of EB Packaging Sdn Bhd, as initially disclosed upon the signing of the MOUs on 11 August 2022.

Despite the initial MOU being terminated, the Group continued in negotiations with the Vendors, resulting in the execution of Share Sale Agreement with them on 13 June 2023.

The acquisition of EB Packaging Sdn Bhd will enhance both the revenue and profitability of our Group. As an established entity in the flexible plastic packaging industry, EB Packaging's integration will expand our Group's market share, especially considering our diverse customer base. Our existing focus primarily lies within the F&B manufacturing sector, while EB Packaging caters to a wide range of industries including food, electronics, industrial packaging, construction materials, furniture, and healthcare.

We will be able to harness not just each other's strengths but our brand identities as well. It will likewise allow our enlarged Group to optimise cost efficiencies by combining our purchasing power for raw materials. In addition, we will look at rationalising factory and warehouse requirements and exploring opportunities for shared support services to further reduce our overheads.

This acquisition aligns with our growth strategies, complementing our existing manufacturing business. Given its consistent profitability over the past years, it will help enhance our Group's earnings going forward.

The acquisition of EB Packaging Sdn Bhd is expected to be completed by 8 November 2023.

CORPORATE GOVERNANCE & BOARD COMMITMENT

Our Board remains attuned to consistently improve the Group's adherence to the Corporate Governance guidelines set forth by Bursa Malaysia. The Board's independence and capabilities are instrumental in bolstering our risk management efforts, especially in light of the rapidly evolving and unpredictable operational landscape witnessed in the past year.

The Management has maintained a commitment to upholding best practices in governance and risk management. Our dedication is to constantly evaluate and update the risk register, ensuring its continued relevance and effectiveness in safeguarding our operations and stakeholders.

Notably, Anti-Bribery and Anti-Corruption ("ABAC") and Cybersecurity measures have been seamlessly integrated, aligning with the comprehensive frameworks established by our ABAC Policy and Cybersecurity Protocols respectively. This strategic integration enhances our vigilance against unethical practices and fortifies our commitment to conducting business with integrity, transparency, and robust security measures.

Furthermore, we have updated fire prevention and response measures as mitigating controls against fire risk in the risk register as we strive for a safer environment for the workforce and assets of the Group.

The Management remains resolute in its dedication to risk management practices and will continue to adapt and enhance our approach to meet emerging challenges and evolving regulatory landscapes.

OPPORTUNITIES FOR NEW GROWTH

Despite the difficulties and challenges facing the Group, the fundamental strength inherent in the Group continues to provide us with the resilience to turn adversity into opportunities. Our Management team continues to execute the strategic growth plan to address the complexities of the global economy, which have been compounded by the pandemic and geopolitical tensions. This was done to safeguard the well-being, health, and safety of our employees while maintaining business continuity and positioning ourselves to capitalise on opportunities as the global economy rebounds and our business reaches new heights.

We remain committed to enriching our product portfolio by prioritising sustainable and recyclable structures, offering value-added solutions to empower our customers collaboratively. Leveraging our newly retrofitted plant, operational and business expertise, along with maintaining prudent financial management and a solid customer base, we are dedicated to sustaining long-term delivery to our stakeholders.

SUSTAINABILITY

I am pleased to share with you the strong commitment and dedicated efforts of Tomypak towards sustainability. In today's dynamic business landscape, sustainability has emerged as a critical focus not just for us as a company, but for the global community. At Tomypak, sustainability is not just a goal; it's a journey ingrained in our values and actions.

We firmly believe that a sustainable approach is the pathway to long-term success and responsible growth. Our commitment to sustainability extends across every facet of our operations – from the sourcing of raw materials, to our manufacturing processes, with regular stakeholder engagement being a critical part of the materiality assessment process and our sustainability journey.

In FY2023, we continued to focus our efforts on responsible packaging, resulting in a range of innovative packaging solutions. We forged close collaboration with our key clients to accelerate our journey towards recyclable and biodegradable materials, firmly placing sustainability at the heart of our operations and fully supporting our clients' commitment to sustainability as well.

One of the progress in our sustainability journey is the retrofitting and technological upgrades at our Tampoi plant. The infusion of latest machinery and technology is designed to reduce water usage, material wastage, emissions and energy consumption, ultimately contributing to a lower carbon footprint. Additionally, our solar-panel-ready roofing demonstrates our proactive stance in exploring renewable energy options. We are strategising to power certain zones of our facilities with solar energy as part of our commitment to ensure a greener and cleaner workplace while reducing reliance on fossil fuel.

We have already initiated our renewable energy journey by installing solar-powered perimeter lights as well as fitted carbon filters in all our chimneys in our Tampoi plant. These small yet meaningful steps align with our commitment towards sustainability development.

Our initiatives extend to our workforce as well. We are nurturing a culture of awareness and responsibility, ensuring that sustainability is embraced by every employee at all levels. Employee engagements like town halls, coffee sessions and educational programmes including safety, anti-bribery and corruption, and many others are being implemented to enhance understanding of and involvement in our sustainability initiatives. The upgraded Tampoi plant will also provide our employees with a much better, safer and conducive working environment which we firmly believe will lead to improved productivity.

We understand that transparency and accountability are fundamental in our sustainability journey. A Sustainability Committee comprising relevant department heads and executives as well as a Board director as an adviser will continue to play an active role in leading this journey. The Board has delegated to this committee, chaired by the Managing Director, the responsibility for assessing and reviewing the implementation of the relevant Environment, Social and Governance ("ESG") aspects of the day-to-day business operations with the necessary sustainability management processes in place. We are committed to regular reporting on our sustainability performance, setting clear targets, and measuring our progress against targets. Our sustainability related achievements, progress and challenges will be communicated according to applicable sustainability reporting standards and/or guidelines.

As we continue to grow and evolve, sustainability will remain at the core of our strategy. Our commitment to sustainability reflects our dedication to not only drive shareholder value but also to make a positive impact on the environment and society at large.

APPRECIATION

I would like to extend my heartfelt gratitude and appreciation to our valued customers, partners, and stakeholders for their continued support. Your trust and collaboration have been instrumental in propelling us forward during this critical period of transformation, positioning the Group for a brighter future.

To our loyal shareholders, governmental and regulatory authorities, trade and business partners, and dedicated staff and management, thank you for your continued commitment and dedication. Your collective efforts have played a vital role in our journey of progress and resilience.

A special acknowledgment goes to our bankers, business associates, insurers, and adjusters. Your confidence and cooperation have been pivotal in our successful recovery and progress.

I would also like to express my sincere gratitude to my colleagues on the Board. Your dedication, hard work, and perseverance during the challenging and prolonged FY2023 have been exceptional. Your invaluable contributions have significantly shaped our direction and decisions.

Thank you and very best regards

Yong Kwet On
CHAIRMAN

PROFILE OF DIRECTORS

YONG KWET ON

Non-Independent
Non-Executive Director

Nationality: **Malaysian**

Age: **66**

Gender: **Male**

Date of Appointment:
18 November 2014

Chairman:
- Board
- Investment and Development Committee

Member:
- Nomination and Remuneration Committee

Mr. Yong Kwet On was appointed a Non-Independent and Non-Executive Director of the Company on 18 November 2014. He was subsequently appointed as Chairman of the Board of Directors on 1 October 2019. He has more than 40 years' experience in the Technology and ICT Industry, from hands on to top management work experience covering large scale data centre infrastructure development projects, systems, process engineering, manufacturing systems and large-scale technology implementations. While primarily based in Malaysia, his experience covers business and project deliveries in Asia such as Singapore, Thailand, Indonesia, Philippines, India as well as in Europe including the United Kingdom, Germany, Spain and Switzerland.

He graduated in 1978 with a BA (Econs) from the University of Windsor, Ontario, Canada. He was a founding member and honorary secretary of the Malaysia Canada Business Council and a founding member of the Malaysia Data Centre Alliance (under the auspices of MDeC and Pikom).

He has been involved in two successful international IPO listings, one on SESDAQ Singapore Stock Exchange and the other on AIM London Stock Exchange.

Mr. Yong is a member of the Nomination Committee and Remuneration Committee and Chairman of the Investment Development Committee of the Group since 13 February 2015. Mr Yong ceased as a member of Risk Management Committee with effect from 18 May 2017.

He has no family relationship with any Director. He is a major shareholder of the Group through his substantial interest in New Orient Resources Sdn Bhd. He does not hold directorship in any other public companies and listed issuers.There is no conflict of interest in respect of his involvement with the Group and he has not been convicted of any offences, other than traffic offences within the past 5 years.

PROFILE OF DIRECTORS (CONT'D)

TO' PUAN ROZANA BINTI TAN SRI REDZUAN

Independent Non-Executive Director

Nationality: **Malaysian**

Age: **58**

Gender: **Female**

Date of Appointment:
1 April 2015

Chairman:
- Nomination and Remuneration Committee

Member:
- Audit Committee

To' Puan Rozana Binti Tan Sri Redzuan was appointed as an Independent Non-Executive Director of the Company on 1 April 2015. To' Puan has been a member of the Audit and Remuneration Committees of the Group since 28 May 2015 and was subsequently appointed as the Chairman of the Audit Committee on 1 September 2016. To' Puan was also appointed as a member of Nomination Committee of the Group on 20 August 2015 and a member of the ESOS Committee of the Group on 24 November 2015.

To' Puan was subsequently elected as the Chairman of ESOS Committee and appointed as a member of Risk Management Committee on 18 May 2017. To' Puan was redesignated as a member of Audit Committee and Chairman of Nomination Committee on 1 December 2019. She also stepped down from Risk Management Committee on 1 December 2019.

She is a member of the Association of Chartered Certified Accountants ("ACCA") and Malaysian Institute of Accountants ("MIA").

She was the Chief Executive Officer of Plantation & Development (M) Berhad ("P & D"), a company listed on Bursa Malaysia, from 1999 to 2003. P & D was involved in plantation activities, property development and construction. She also spearheaded the corporate restructuring of the company. Prior to joining the P & D Group of companies in 1995, she was an accountant with the now defunct accounting firm, Arthur Andersen & Co, and subsequently joined PB Securities Sdn. Bhd., a stockbroking firm. She presently sits on the board of various private companies that are in activities such as property development and investment holding.

To' Puan Rozana has no family relationship with any Director and/or major shareholder of the Group. She does not hold directorship in any other public companies and listed issuers. There is no conflict of interest in respect of her involvement with the Group and she has not been convicted of any offence, other than traffic offences within the past 5 years.

PROFILE OF DIRECTORS (CONT'D)

AZMI BIN ARSHAD

Executive Vice Chairman

Nationality: **Malaysian**

Age: **60**

Gender: **Male**

Date of Appointment:
1 October 2019

Date of Redesignation:
17 October 2023

Member:
- Risk Management Committee

Advisor:
- Sustainability Committee

En. Azmi Bin Arshad was appointed as an Independent and Non-Executive Director of the Company on 1 October 2019. He was subsequently appointed as Chairman of the Audit Committee, member of the Nomination and Remuneration Committee and member of the Risk Management Committee on 1 December 2019. Subsequently, he has relinquished his positions as Chairman of the Audit Committee and member of the Nomination and Remuneration Committee following his redesignation as Executive Vice Chairman on 17 October 2023.

En. Azmi graduated with an honours degree in accountancy from the University of East Anglia, Norwich, UK in 1986. He then underwent articleship with KPMG Peat Marwick McLintock, London and completed the professional examinations of the Institute of Chartered Accountants in England & Wales (ICAEW) in 1990. He then continued his career in Malaysia with KPMG Kuala Lumpur in charge of audits of various public listed companies and advisory work.

He was Head of the Funds Management and Budget Department at Malaysia Building Society Berhad, Corporate Finance Manager at Usaha Tegas Sdn Bhd, Vice President at the Sapura Group, Senior General Manager of Finance at Crest Petroleum Berhad in 2003 and Chief Financial Officer of SapuraCrest Petroleum Berhad until 2011, after which he was Chief Operating Officer of Sapura Resources Berhad until 2012. He then moved on to become one of the founding members of Reach Energy Berhad in 2012). He was Chief Financial Officer of Reach Energy Berhad until 2018. He also sat on the board of LBI Capital Berhad 1991-1996.

He has more than 30 years' experience in accounting, financial management, risk management, corporate finance, joint ventures, acquisitions, business rationalisation and corporate restructuring and has served in companies involved in financing, manufacturing, property development, property investments, broadcasting, oil and gas services and aviation.

He also presently sits on the Board of Trustees of Lembaga Pemegang Amanah Kolej Islam Malaysia (LAKIM) Berdaftar. He is also on the Board of Governors of and adjunct professor at Universiti Islam Malaysia.

He is a GRI (Global Reporting Initiative) Certified Sustainability Professional, Certified Sustainability/ESG Practitioner (Center of Sustainability and Excellence / Chartered Management Institute) and HRDC certified trainer.

En Azmi has no family relationship with any Director and/or major shareholder of the Group. He does not hold directorship in any other public companies and listed issuers. There is no conflict of interest in respect of his involvement with the Group and he has not been convicted of any offence, other than traffic offences within the past 5 years.

PROFILE OF DIRECTORS (CONT'D)

LIM BEE LEONG

Independent Non-Executive Director

Nationality: **Malaysian**

Age: **58**

Gender: **Male**

Date of Appointment:
1 February 2023

Chairman:
- Risk Management Committee

Member:
- Audit Committee
- Nomination and Remuneration Committee
- Investment and Development Committee

Mr. Lim Bee Leong was appointed as an Independent Non-Executive Director of the Company on 1 February 2023.

After graduating with a degree in Chemical Engineering from University of Malaya in 1989, Mr. Lim joined MPIB (Malaysia Packaging Industry Bhd) as a Production Engineer. During his six (6) years in MPIB, Mr. Lim was promoted to Production Manager and subsequently to Factory Manager before he left in 1995. He then joined Perfecseal Asia Pacific in sales and business development. He was appointed Executive Director of MFPC Sdn Bhd (a subsidiary of Fujimori Kogyo) from 1996 to 1997 before becoming Managing Director of Bemis Asia Pacific in 1998 till 2005.

In 2005, Mr. Lim was promoted to Regional President, Asia Pacific for Bemis Asia Pacific henceforth embarked on major expansion into the regions with greenfield site in China and multiple sales offices throughout Asian region. In 2015, Mr. Lim was appointed as the officer of Bemis Inc, and became part of the 12 members of Global Executive Council (GEC) of the company. In 2019 when Amcor Flex acquired Bemis Inc., Mr. Lim was made Vice President/General Manager of Amcor SEA which had annual sales of USD300 million. After just over two years, Mr. Lim left Amcor SEA to pursue his personal interest in providing strategic, Sales & Marketing and Operations advisory and consulting.

Mr. Lim has more than 30 years' experience in the Flexible Packaging Industry (Food, Meat, Medical, Personal Care and Home Care) in the Asia Pacific region. He has undertaken senior management roles in Sales & Marketing, Business strategy as well as been extensively involved with flexible and converting equipment and operations. He was also involved in acquisitions of companies and plants and has travelled extensively in Asia and Australia/New Zealand. Aside from Malaysia, Mr. Lim has had attended extensive training in Singapore, Ireland, Japan and United States plus assignments in Hong Kong and China.

Mr. Lim has no family relationship with any Director and/or major shareholder of the Group. He does not hold directorship in any other public companies and listed issuers. There is no conflict of interest in respect of his involvement with the Group and he has not been convicted of any offence, other than traffic offences within the past 5 years.

PROFILE OF DIRECTORS (CONT'D)

LEE KWEE HENG

Managing Director

Nationality: **Malaysian**

Age: **55**

Gender: **Male**

Date of Appointment:
1 February 2023

Member:
- Risk Management Committee
- Investment and Development Committee

Mr. Lee Kwee Heng was appointed to the position of Director of Sales & Marketing on 1 March 2021 and redesignated to the position of Chief Operating Officer on 15 September 2022. Subsequently, he was promoted to the position of Managing Director on 1 February 2023.

He holds a Bachelor of Science in Management Information System from Indiana University of Pennsylvania USA. Mr. Lee held many notable sales and marketing leadership positions with P&L experience in IBM across different countries and regions. His last position in IBM Asia Pacific (AP) as AP Sales Director was to lead and manage the AP sales team across 4 diversified regions (ANZ, India, Korea and ASEAN) to drive strategic growth, partnership development, and marketing to deliver on breakthrough business result. He is also a result-oriented business leader with a proven track record of reviving/transforming several weakening businesses to healthy growth.

He has no family relationship with any Director and/or major shareholder of Tomypak. He does not hold any other directorship in public companies and listed issuers. There is no conflict of interest in respect of his involvement with the Group and he has not been convicted of any offence, other than traffic offences within the past five (5) years.

PROFILE OF DIRECTORS (CONT'D)

LOW CHIUN YIK

Independent Non-Executive Director

Nationality: **Malaysian**

Age: **36**

Gender: **Male**

Date of Appointment:
17 October 2023

Chairman:
- Audit Committee

Member:
- Nomination and Remuneration Committee
- Risk Management Committee

Mr. Low Chiun Yik started his career with and was a manager at KPMG's Internal Audit, Risk and Compliance Services Department until 2017. He is presently an Executive Partner of Galton Advisory PLT, a business advisory firm he founded in 2017, involved in providing professional services including corporate governance, sustainability, enterprise risk management and internal audit, of which the firm's clientele were mainly public listed companies.

He is also an Independent Non-Executive Director of Karyon Industries Berhad, where he is chairman of the remuneration committee and a member of the risk management committee and nomination committee.

He holds a Master's Degree in Accountancy and Finance from Birmingham City University, United Kingdom and is an associate member of the Institute of Internal Auditors Malaysia.

He has no family relationship with any Director and/or major shareholder of Tomypak. Apart from Karyon Industries Berhad, he does not hold directorship in any other public companies and listed issuers. There is no conflict of interest in respect of his involvement with the Group and he has not been convicted of any offence, other than traffic offences within the past five (5) years.

KEY SENIOR MANAGEMENT

FOO JEE TENG
Chief Manufacturing Officer

Nationality: **Malaysian**

Age: **45**

Gender: **Male**

Date of Appointment:
15 September 2022

Mr. Foo Jee Teng was appointed to the position of Director of Operations on 1 January 2021 and redesignated to the position of Chief Manufacturing Officer on 15 September 2022.

He joined the company in June 2018 as Assistant Plant Manager and was promoted to the position of Technical Director since June 2019. He has more than 23 years of extensive experiences in flexible packaging industry across Malaysia, Thailand, Indonesia and Taiwan. He is highly regarded by our customers for his technical acumen and knowledge. Currently, he manages the entire factory operations including the Printing, Laminating, Slitting and Bag–making departments, He is also responsible for Production Planning, Film casting and Metalising as well as overall maintenance of both factories.

He has no family relationship with any Director and/or major shareholder of Tomypak. He does not hold any directorship in public companies and listed issuers. He has not been convicted of any offence, other than traffic offences within the past five (5) years or been imposed with any public sanctions or penalties by the relevant regulatory bodies during the financial year.

SOO KOK HWA
General Manager – Finance & Accounting

Nationality: **Malaysian**

Age: **56**

Gender: **Male**

Date of Appointment:
16 October 2023

Mr. Soo Kok Hwa was appointed to the position of General Manager – Finance & Accounting on 16 October 2023.

He holds a Bachelor of Management (Hons.) degree from University of Science Malaysia and completed the professional accounting examinations of the Association of Chartered Certified Accountants, United Kingdom ("ACCA"). He is a member of Malaysian Institute of Accountants ("MIA").

In the past he was the Executive Vice-President Finance before he was vehicle as Executive Vice President to setup the Internal Control, Compliance & Risk Management Department of Etika Holdings Sdn Bhd, a wholly owned subsidiary of Asahi Japan. He was also the Executive Director and Chief Financial Officer of CFM Holdings Limited, a Company listed in Singapore Stock Exchange. Before joining CFM, he was the Chief Financial Officer of Midsouth Technology Pte Ltd, a Singapore Company. He was the Regional Controller, Asia of Schneider Electri, a French Company. He has more than 30 years of experience in FMCG and manufacturing environments.

He has no family relationship with any Director and/or major shareholder of Tomypak. He does not hold any directorship in public companies and listed issuers. He has not been convicted of any offence, other than traffic offences within the past five (5) years or been imposed with any public sanctions or penalties by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis ("MD&A") provides an insight into the business and operations of Tomypak Holdings Berhad ("THB") and its subsidiaries (the "Group") for the financial year ended 30 June 2023 ("FY2023"). This MD&A also enlightens shareholders on the Group's performance for FY2023 and the immediate prospect of the Group.

GROUP OVERVIEW

Group Business and Operations

THB is an investment holding company which currently has two (2) subsidiaries, consisting of wholly-owned subsidiary, Tomypak Flexible Packaging Sdn. Bhd. ("TFP") and 51% owned subsidiary, SP Plastic & Packaging Sdn. Bhd. ("SPP").

The Group with its subsidiaries is principally involved in the manufacture and marketing of flexible packaging materials. The products manufactured and marketed by TFP are primarily for local and international food and beverage companies who use these printed, laminated and metallised packaging materials, either in roll or bag form, to pack their final products such as sauces, seasoning, noodles, beverages, oils as well as snacks. SPP focuses on digital printing as well as serving as a marketing arm of the Group to service small-scale customers.

The Group's products are generally categorised into the following:

a. Foil, which are generally made for sauce, seasoning, snacks and beverage products;
b. Metallised, which are made for noodles, seasoning, beverage and oil products; and
c. General, which are primarily made for noodles, oils, seasoning and beverage products.

Production Facility

The Group is now operating out of two separate factories after the Senai factory was destroyed in fire on 19 December 2021 and subsequently demolished. TFP is sited on a 4-acre leasehold land located at the Tampoi Light Industrial Estate (Kawasan Perindustrian Tampoi), its main plant and head office, while SPP's factory in Melaka focuses on digital printing services.

The Tampoi plant has been retrofitted with mostly brand new plant and machinery, with the maximum production capacity of 30,000 metric tonnes per annum. With retrofitting works having been completed by end of FY2023, the plant is now fully ready for production, prior to which a majority of sales orders received from customers had to be sub-contracted to other convertors at low margins. Consequently, the total workforce of the Group has increased to 224 staff staff, of which 133 are in direct operations and mainly based in the Tampoi plant. SPP has a total workforce of 8 staff for its small business operations.

Outsourcing of Production

The continuing engagement with the selective sub-contractors, but on a reduced scale, is to ensure the Group fulfill our customers' needs and keep servicing our customers with better quality, on-time delivery and products differentiation. The selective outsourcing of our production to sub-contractors we have collaborations with, is a part of our long-term strategy for forging key partnerships to maintain business continuity.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Insurance Claims

The Group has fully received the final Material Damage ("MD") claim of RM205 million in total for all property, plant and equipment and stock-in-trade. The Group has also submitted a claim to the adjuster for Business Interruption Loss ("BIL"). As announced on 31 March 2022 and 22 September 2022, the Group has received two interim insurance compensation payments of RM15 million each, in respect of BIL.

Operational Recovery Strategy

As part of the Group's efforts to steer towards a pathway to recovery, we have outlined a Business Recovery Plan that will help the Group sustain and restore its operations expeditiously to what it once was before the fire incident but with more modern production facilities. The efforts to this end will be carried out in 3 phases as follows:

A. Phase 1 comprising of 2 con-current sub-phases:

Phase 1a:

i. Sales of excess raw materials: *Status: Completed.*
ii. Sales of obsolete cylinder blocks: *Status: Completed.*
iii. Sales of in-house manufactured plain and metallised films as well as providing bags making services to other converters: *Status: Completed.*

Phase 1b:

i. Continuing supply to maintain confidence and retain existing customers via sub-contracting of orders received from customers, to selected converters. *Status: Ongoing.*

B. Phase 2 – state-of-the-art production capabilities

- Delivery of machines and equipment and retrofitting works required for setting up of a state-of-the-art production facility at the Group's Tampoi plant have been completed.
- Three slitting machines have been delivered and commissioned at Tampoi plant.
- Following this, partial semi-finished goods were brought back from other converters for in-house slitting process and delivery to customers.
- In addition, the first combi dry and solventless laminating line, 6-colour tandem gravure printing line, and a single extrusion laminating line have been installed and commissioned.
- Functional Acceptance Test for the two units 8-colour gravure printing line and the second combi dry and solventless laminating line have been completed and all these machines have been installed and commissioned.
- Other major equipment such as the 9-colour gravure printing lines, combi dry and solventless laminating line and another two extruder laminating lines have been delivered and commissioned.
- In addition, rewinders/slitters and a range of ancillary supporting equipment ranging from electrical signature analysis equipment to new laboratory equipment for quality assurance/quality control and research & development activities, have also been delivered and commissioned.
- Major civil & structural and mechanical & electrical works to upgrade the Tampoi plant to accommodate the new equipment and to achieve higher standards to meet customers' requirements and enhance the Group's production efficiencies have also been completed.

As reflected above, all of the major machinery and ancillary equipment have been delivered and commissioned. The Tampoi plant has started to manufacture some of the customers' requirements in-house albeit on a low scale. Over the past few months, the Group has produced and submitted product samples to customers.

In addition, the Group's facility has also recently obtained the Food Safety System Certification ("FSSC 22000") for food safety/quality management, a major milestone in re-building exercise after the fire incident. Major customers have since visited, audited and certified the Tampoi plant.

Operational Recovery Strategy (Cont'd)

C. Phase 3 – Plans for Senai plant

With the announcement made on 12 April 2023, the Group's acceptance of the final and full offer of RM205 million as mentioned above and has decided not to proceed with the reinstatement of the Senai plant.

Instead, as announced on 14 June 2023 and approved by shareholders at the Extraordinary Meeting on 11 October 2023, the Group entered into conditional Share Sale Agreements, a Call and Put Options Agreement and a Shareholders' Agreement, to acquire 70% equity interest in EB Packaging Sdn Bhd ("EB") for a total cash consideration of RM73.5 million and the remaining 30% equity interest in EB for a cash consideration of up to RM31.5 million over the next three years.

Upon completion of the Proposed Acquisition, EB will become a 70%-owned subsidiary of TFP with the Promoters holding the remaining 30% equity interest in EB. Please refer to the announcement made on 14 June 2023 for more details of the proposals.

REVIEW OF FINANCIAL RESULTS

The Group had a challenging fiscal year which was marked by a significant setback as the Group faced a devastating fire incident on 19 December 2021 that disrupted its operations entirely. As at FYE2023, the Tampoi plant and the production facilities have been retrofitted and are ready for production. This review provides an in-depth analysis of the Group's financial performance for the year characterised by lower revenue and higher operating costs, primarily due to the after-effects of the fire incident and higher cost of raw materials and transportation.

Summarised below are the key financial information for the Group for the past 2 years:

Financial Period/Year Ended 30 June (1)	FP 2022	FY 2023
Results (RM'000)		
Revenue	167,157	57,853
Profit/(Loss) from operations (2)	(93,185)	87,190
Profit/(Loss) before tax	(95,152)	84,941
Net Profit/(Loss) for the financial period/year	(99,860)	84,842
Earnings before interest, tax, depreciation and amortization ("EBITDA")	(74,571)	93,607
Statement of financial position (RM'000)		
Shareholders' equity	87,774	168,295
Total loan and borrowings	62,613	23,621
Total assets	184,245	217,284

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL RESULTS (CONT'D)

Summarised below are the key financial information for the Group for the past 2 years (Cont'd):

Financial Period/Year Ended 30 June [1]	FP 2022	FY 2023
Ratio		
Earnings/(Loss) per share (sen) [3]	(23.21)	19.68
Interest cover (times) [4]	(47.37)	38.77
Return on equity [5]	(113.77%)	50.41%
Return on total assets [6]	(50.58%)	40.13%
Gearing [7]	0.71	0.14
Net assets per share (RM)	0.20	0.39

(1) The presentation of the 18-month financial period ended 30 June 2022 ("FP 2022") follows a change in the Group's financial year end announced on 18 April 2022. Subsequent financial years are 12 months ending 30 June
(2) Earnings before interest and tax
(3) Net Profit/(Loss) for the financial year/period over total number of shares as at 31 December/30 June
(4) Profit/(Loss) from operations over net finance costs
(5) Net Profit/(Loss) for the financial year/period over Shareholders' Equity
(6) Profit/(Loss) from operations over Total assets
(7) Total borrowings over Shareholders' Equity
(8) Shareholders' Equity over total number of shares as at year/period end

Revenue

The Group reported total revenue of RM57.85 million for FY2023, a decrease of 65.39% as compared to RM167.16 million in FP2022. Apart from FP2022 revenue being for an 18-month period, the sharp decline was principally due to the fire incident that severely impacted production and customer deliveries. Despite these challenges, the Group demonstrated resilience and adaptability in its recovery efforts under its 3-Phase Business Recovery Plan.

During this difficult period, the Group continued to serve its existing customers to the best of its ability without compromising on the quality of the products. Recovery efforts have never been stopped, hence relatively high operating costs including restoration works of the existing Tampoi plant, additional staff cost and transportation costs incurred so as to fulfill the customers' orders.

All the Group's customers are mainly from the food and beverage industry, both multinational and local. In 2023, the export sales contributed RM39.82 million or 68.83% of the Group's total revenue as compared to RM91.34 million or 54.65% in the previous financial period.

These export sales are primarily invoiced in USD which provides the Group with substantial natural hedge against import of major raw materials as well as payment of USD denominated term loans secured to purchase machinery and equipment for the Tampoi plant. Countries to which the Group's products are exported include The Philippines, South Africa, Nigeria, Papua New Guinea, Peru, Singapore, Colombo and Cambodia.

Many of the key customers have been long-term business partners with the Group, with some having entrusted the Group with their business for over a decade. This enduring loyalty reflects the Group's consistent commitment to meeting their core requirements, including offering unwavering quality, timely delivery and competitive commercial terms.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Profit/(Loss) from Operations

The Group recorded a profit from operations in FY2023 of RM87.19 million compared to a loss from operations of RM93.19 million in the previous financial period.

Although lower contribution margins from operations were mainly due to most sales orders being sub-contracted out and low revenue resulted in unabsorbed factory overheads, the Group turned in significant profit in FY2023, as compared to a loss in the previous year, due to the receipt of insurance proceeds of RM120 million recognised as other income in the current financial year.

Profit/(Loss) Before Tax

For FY2023, the Group's profit before tax was RM84.94 million compared to a loss before tax of RM95.15 million in the previous financial period mainly due to the balance of insurance proceeds of RM120 million received.

Net Profit/(Loss) After Tax

The Group's profit after tax was RM84.84 million compared to a loss after tax of RM99.86 million in the previous financial period mainly due to the balance of insurance proceeds of RM120 million received.

Earnings/(Loss) Before Interest, Tax, Depreciation and Amortisation ("EBITDA/LBITDA")

For FY2023, the Group's EBITDA was RM93.61 million compared to a LBITDA of RM74.57 million in the previous financial period. The increase in EBITDA was mainly due to the balance of insurance proceeds of RM120 million received during the financial year under review.

Shareholders' Equity

The shareholders' equity was RM168.30 million in FY2023 compared to RM87.77 million in the previous financial period. The increase was mainly due to the balance of insurance proceeds of RM120 million received during the financial year under review.

Total Loan and Borrowings and Gearing

The Group's loan and borrowings was RM23.62 million in FY2023 compared to RM62.61 million in the previous financial period. The decrease in loan and borrowings was mainly due to repayments of short-term bank borrowings of RM38.35 million during the financial year under review.

The Group's debt to equity ratio has reduced to 0.14 times in FY2023 compared to 0.71 times in the previous financial period primarily due to an increase in retained earnings as a result of receipt of the RM120 million insurance claim and the above reduction in bank borrowings.

Total cash and cash equivalents was RM43.68 million in FY2023 compared to RM40.54 million in the previous financial period. The higher cash and cash equivalents was mainly due to the insurance proceeds received of RM120 million, partly applied towards the purchase of property, plant and equipment of RM47.74 million as well as net cash used in operations of RM41.01 million during the financial year under review.

Total Assets

As at the end of FY2023, the carrying value of the Group's assets was RM217.28 million compared to RM184.25 million in the previous financial period. The net increase was mainly due to the insurance proceeds received and from which a substantial portion was used to repay bank borrowings and for capital expenditure during the financial year under review.

Capital Management and Return to Shareholders

For FY2023, the Group is pleased to have paid an interim dividend of 1.0 sen per share, amounting to RM4.31 million, which the receipt of the insurance proceeds made possible. No dividend was declared in the preceding financial year.

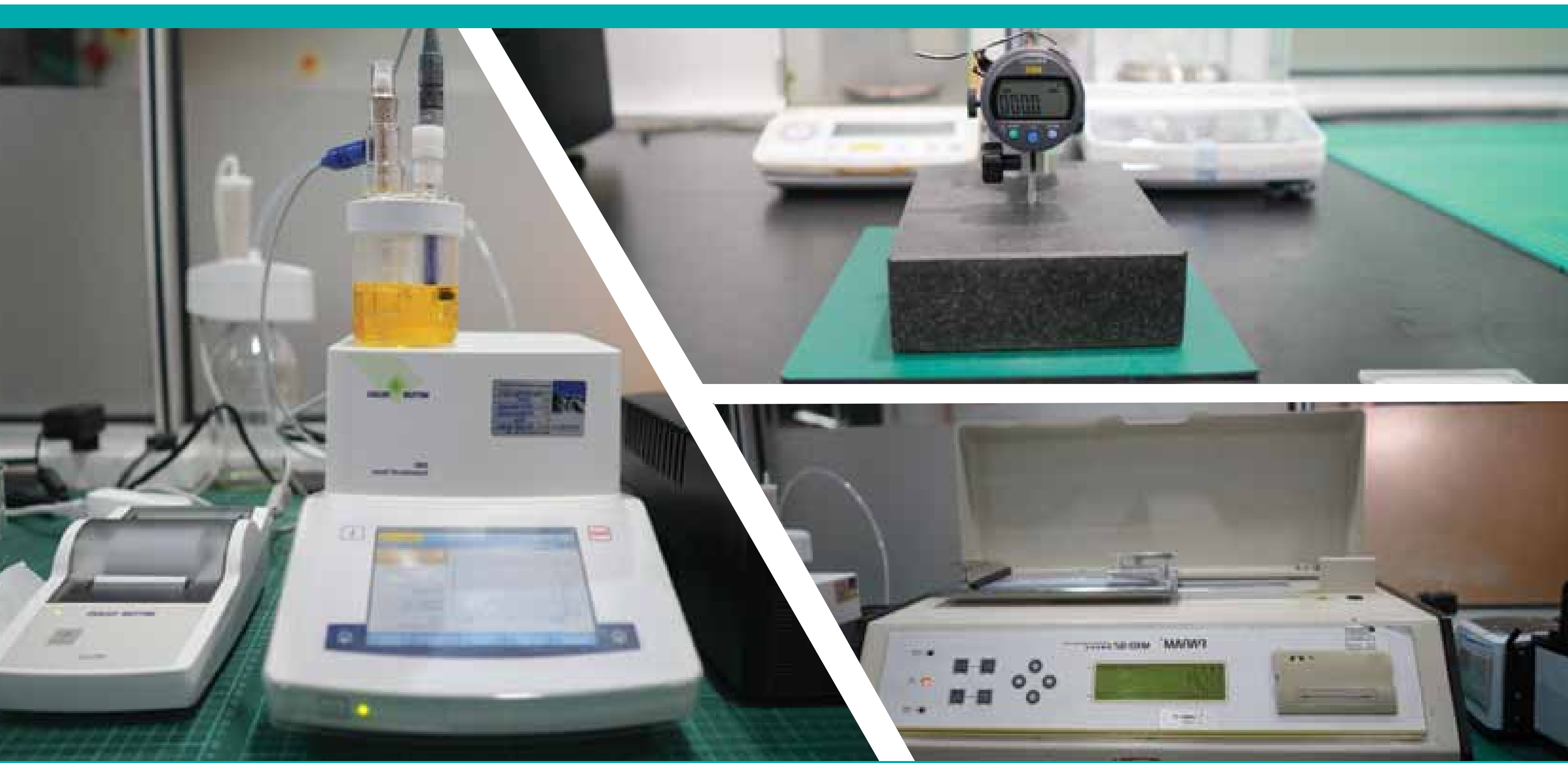
OUTLOOK AND PROSPECTS

The Group acknowledges the challenges arising from the fire incident and the impact it has on the current financial year's financial results. However, the Group remains committed to improve its profitability through restoring production capacity to pre-incident levels, implementing cost management and optimisation measures to improve efficiency, fortifying customer relationships to regain market share by upholding its reputation for delivering quality products, as well as ensuring the safety and well-being of its workforce.

Nevertheless, the Group is committing to increase focus on sustainable packaging as well as more eco-friendly packaging solutions, which include innovations in recyclable and biodegradable materials, as well as reduced packaging waste according to customers' requirements. The Group foresees a growing demand for flexible packaging in the food and beverage industry.

The Group will strive to continue focusing on its core business of manufacturing and marketing of flexible packaging products and will continue leveraging and building the reputation in the market as a consistently reliable partner delivering quality and competitive packaging products to its broad base of customers. The Group will continue to undertake various strategies and product innovation as well as reinforce our sales and marketing efforts to secure new customers to improve market share in both local and international markets going forward.

Lastly, the Board and management of the Group would like to extend its gratitude to our loyal customers, dedicated employees, and supportive stakeholders for their commitment and unprecedented support during this challenging period that impact on the Group as a whole. The Group looks forward to emerging stronger from this adversity and more resilient.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Tomypak is pleased to present this statement to provide shareholders with an overview of the Corporate Governance ("CG") practices of the Company during the financial year ended 30 June 2023 ("FY2023").

In preparing this Statement, the Board has considered and adopted most of the Principles and Practices of the Malaysian Code of Corporate Governance 2021 ("CG Code") and this Statement is to be read together with the CG Report of the Company for FY2023 ("CG Report"), which is available on the Company's website and Bursa Malaysia Securities Berhad's ("Bursa Malaysia") website.

The Board strongly believes that good corporate governance, including full accountability and transparency, would allow the Group to operate smoothly and efficiently, result in sustainable long-term growth, safeguard the interests of all stakeholders, enhance shareholders' value and improve the Company's financial performance and that good corporate governance must be accepted and practiced by all employees in the organisation.

To facilitate proper governance of the Group, the Board has taken note and implemented the recommendations and proposals by various regulatory authorities on a continuing basis and has also on its own accord taken into consideration the requirements necessary to ensure that the interests of all stakeholders of the Group are well managed. In this respect, the mandatory Board committees assist the Board in ensuring that all key areas for proper governance are in place and the Board has also established additional committees and requested additional action plans that the Board deemed necessary. One of the key additional steps taken by the Board is the set-up of an Investment and Development Committee (see pages 31 to 32) to assist the Board in developing and managing the implementation of investment and operational strategies and action plans to expand the activities of the Group.

Given the importance of Sustainability and ESG criteria, the Board set up the Sustainability Committee, chaired by the Managing Director and with a Board member as advisor, to ensure that sustainability matters are taken into consideration in the development and implementation of company strategies, business plans, major plans of action and risk management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD LEADERSHIP AND EFFECTIVENESS

Board's Roles and Responsibilities

The Board is fully responsible for the overall conduct and performance of the Group and provides the necessary stewardship and oversight on behalf of the shareholders. It focuses mainly on setting the overall strategic directions that the Group should embark, review and provide guidance on critical and material business issues and specific areas such as corporate governance, risk management, business strategies, operational and financial performance, internal control, investor relations and shareholders' communication, as well as overseeing the performance of management. The Board also reviews and adopts long term strategic plans for the Group, set the necessary key performance indicators ("KPIs"), reviews and ensure that appropriate succession planning are in place, including appointing and fixing the compensation of key senior personnel in the Group.

There is clear and distinct segregation of the positions of the Chairman and the Managing Director and these critical positions are held by different individuals. The Non-Independent Non-Executive Chairman is responsible to lead the Board in instilling good corporate governance practices, leadership and effectiveness of the Board. The Chairman encourages constructive relations amongst Board members as well between Board members and key senior personnel, and ensures open, healthy and effective debates are held by allowing sufficient time to be given on the deliberation of issues.

To ensure that some of the functions are discharged effectively, various Board committees have been constituted and are charged with the authority and responsibility to review and recommend various policies and strategies for the Board to approve. The Board Committees established within the Tomypak Group are the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Investment & Development Committee. These various committees are constituted with clear terms of reference with regards to their respective area of responsibility. The Managing Director and the Management team manage the day-to-day Group's business operations and resources. Nevertheless, the Board collectively retains full responsibility and accountability for all the Group's performance.

The Non-Independent Non-Executive and Independent Non-Executive Directors are actively involved in various Board Committees and contribute significantly to areas such as performance monitoring and enhancement of corporate governance and controls, for a broader view and a check and balance.

In FY2023, the Board had convened seven (7) meetings. The following activities were undertaken by the Board during the financial year under review:

- reviewed and approved the quarterly results and the audited financial statements for FY2023;
- identified principal risks and ensured the implementation of an effective risk management and internal control system;
- received briefings and approved the recommendations from the various Board Committees;
- reviewed and ensure relevant sustainability and ESG matters are incorporated into purpose, governance, strategy, decision making, risk management, and accountability reporting;
- reviewed and monitored progress of retrofitting works based on the Business Recovery Plan after the fire incident on 19 December 2021.

Board Composition

The Board take cognisance of the need to have the appropriate size, profiles and experiences of directors, age group, qualifications and gender to perform its functions of stewardship and oversight in a more effective manner. Such attributes will provide the Board with proper and wider perspective when making critical decisions for the Group.

As at the end of FY2023, the Board comprised five (5) members of whom four (4) are Non-Executive Directors and one (1) is Executive Director. The Board is comprised of professionals from varying professions and experiences and has representations from both genders.

Three (3) of the five (5) Directors are Independent Directors, which complies with the Main Market Listing Requirements requiring one-third (1/3) of the Board members to be Independent Directors. In the event of any vacancy in the Board composition resulting in non-compliance with the aforesaid, the Company must fill the vacancy within three months. The profile of each Director is presented on pages 10 to 15 of this Annual Report.

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The Board has discussed the need to increase the number of Board members, admitting board members with different qualifications and experience as well as to increase the number of female board members for the coming year. After deliberation, the Board believes that appointing an additional Independent Director would further enhance the effectiveness of Board Committees.

Nomination and Remuneration Committee ("NRC")

With effect from 1 March 2023, the Nomination Committee and Remuneration Committee were merged into a single committee known as the Nomination and Remuneration Committee ("NRC").

The NRC assumes the overall responsibility of identifying and selecting suitable candidates for admission to the Board and reviewing the structure, size and composition of the Board, as well as reviewing the remuneration of the Directors, and senior executives of the Group.

The NRC comprised the following members during the year:

Chairman
To' Puan Rozana Binti Tan Sri Redzuan (Independent Non-Executive Director)
Members
Yong Kwet On (Non-Independent Non-Executive Director)
Azmi Bin Arshad (Independent Non-Executive Director)
Datuk Kamal Bin Khalid (Independent Non-Executive Director, resigned on 31 December 2022)
Lim Bee Leong (Independent Non-Executive Director) (Appointed on 1 February 2023)

The NRC consists of only Non-Executive Directors with the majority being Independent Directors.

The Group has in place a process for selection, nomination and appointment of suitable candidates to the Board. Potential candidates can be identified by the NRC, existing Directors or any shareholder through internal or external sources. The NRC, after discussing with the candidate and evaluating the candidate's experiences and qualifications, will then, if the candidate is suitable, recommend the candidate for appointment, which will then be decided by the Board.

The NRC ensures the appointment is made on merit and that there will be sufficient mix of skills, experiences and expertise amongst members of the Board. The NRC will also consider whether the candidate meets the requirements as defined in the Main Market Listing Requirements.

Re-election and Reappointment of Directors

All Directors appointed by the Board are subject to election by the shareholders at their first Annual General Meeting ("AGM").

Clause 103 of the Company's Constitution expressly states that at the Annual General Meeting ("AGM") in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then, the number nearest to one-third of the Directors shall retire from office and be eligible for re-election provided always that all Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election. Whereas Clause 110 of the Company's Constitution provides that any Director so appointed either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

The terms of reference and activities of the NRC are set out below:

a) review the structure, size and composition of the Board, and make recommendations to the Board with regards to any adjustments that are deemed necessary;

b) identify and nominate candidates for the approval of the Board to fill Board vacancies;

c) ensure a mix of skills, experience, other qualities and competencies to assess the effectiveness of the Board, Board Committees and contributions of Directors of the Board;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nomination and Remuneration Committee ("NRC") (Cont'd)

d) recommend to the Board for the continuation or termination of service of the Executive Directors and Non-Executive Directors.

e) recommend Directors who are retiring by rotation and eligible to be put forward for er-election;

f) recommend to the Board the employment of adviser or consultant, where necessary and appropriate, to enable the Board to discharge its responsibilities.

g) determine and agree with the Board the framework or broad policy for the remuneration of the Group's Managing Director, Executive Director and Non-Executive Directors and other senior executives of the Group;

h) determine and recommend to the Board any performance related pay schemes for the Group;

i) determine the policy and scope of service agreements for the Executive and Non-Executive Directors, termination payments and compensation commitments;

j) oversee any major changes in employee remuneration and benefit structures throughout the Group; and

k) recommend to the Board the appointment of the services of advisers or consultants as it deems necessary to fulfil its responsibilities.

The NRC held six (6) meetings during FY2023.

Among the activities undertaken by the Nomination Committee during FY2023:

- reviewed the Board size, composition and the effectiveness of the Board and Board Committees;
- assessed the independence of the Independent Directors;
- assessed the evaluation criteria, contribution of the Directors and conducted a fit and proper assessment of the respective Directors standing for re-election in recommending their re-election;
- assessed the performance of the Managing Director and the Executive Director;
- discussed the appointment of additional Independent Director to further enhance the effectiveness of Board and its Committees;

The remuneration of the Directors is set at levels so as to enable the Group to attract and retain Directors with relevant experience and expertise to assist in managing the Group effectively. Executive Directors receive remuneration that is determined based on level of responsibilities, skills, experience and performance. The Non-Executive Directors receive fees for their services rendered, which are subject to shareholders' approval at the forthcoming AGM before payment is disburse.

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nomination and Remuneration Committee ("NRC") (Cont'd)

Details of Directors' remuneration for the FY2023 are as follows:

	Fees RM'000	Allowances RM'000	Total RM'000
Non-Executive Directors			
Yong Kwet On	80.0	12.0	92.0
To' Puan Rozana Binti Tan Sri Redzuan	80.0	9.8	89.8
Datuk Kamal Bin Khalid[2]	40.0	3.0	43.0
Azmi Bin Arshad	80.0	9.8	89.8
Lim Bee Leong[3]	33.0	3.8	36.8

	Salaries RM'000	Allowances RM'000	Other Emoluments[1] RM'000	Total RM'000
Executive/Managing Director				
Tan See Yin[4]	308.2	78.5	198.3	585.0
Lee Kwee Heng[5]	390.0	66.0	38.3	494.3

1 *Includes EPF, leave passage, gratuity, etc.*
2 *Datuk Kamal Bin Khalid (resigned on 31 December 2022).*
3 *Lim Bee Leong (appointed on 1 February 2023).*
4 *Tan See Yin (resigned on 1 February 2023).*
5 *Lee Kwee Heng (appointed on 1 February 2023).*

The number of Directors whose remuneration falls into each successive band of RM50,000.00 for FY2023 are set out below:

Range of Remuneration	Executive Directors	Non-Executive Directors
RM50,000 and below	-	2
RM50,001 – RM100,000	-	3
RM450,001 – RM500,000	1	-
RM550,001 – RM600,000	1	-
Total	**2**	**5**

The Board is aware of the encouragement for the disclosure of remuneration of its senior management (who are not Board members) remuneration. However, the Board is of the view that such disclosure could be detrimental to its business interests given the highly competitive human resource environment in the industry in which the Group operates, where there is constantly intense headhunting for personnel with the right expertise, knowledge and relevant working experience. As such, disclosure of specific remuneration information could give rise to recruitment and talent retention issues going forward.

The Board ensures that the remuneration of the senior management personnel commensurate with the level of responsibilities, with due consideration in attracting, retaining and motivating senior management to lead and run the Group successfully.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Attendance of Directors

The attendance of individual Directors at the Board and the various Board Committees meetings during FY2023 is as detailed below:

Director	Board	AC	RC	NC	RMC	IDC	ESOS
Non-Independent Non-Executive Director							
Yong Kwet On	7/7	–	1/1	5/5	–	4/4	–
Independent Non-Executive Director							
Datuk Kamal Bin Khalid (resigned on 31 December 2022)	2/4	2/4	1/1	3/3	–	2/2	–
To' Puan Rozana Binti Tan Sri Redzuan	7/7	7/7	1/1	5/5	–	–	1
Azmi Bin Arshad	7/7	7/7	1/1	5/5	0/1	–	–
Lim Bee Leong (Appointed on 1 February 2023)	2/2	3/3	–	1/1	1/1	2/2	–
Executive Director							
Tan See Yin (resigned on 1 February 2023)	5/5	–	–	–	–	2/2	–
Lee Kwee Heng (Appointed on 1 February 2023)	2/2	–	–	–	1/1	2/2	–

[1] *Last meeting was on 18 August 2020 and the last grant was on 21 May 2021.*

Board/Board Committee Chairman

AC	:	Audit Committee
RC	:	Remuneration Committee
NC	:	Nomination Committee
RMC	:	Risk Management Committee
IDC	:	Investment and Development Committee
ESOS	:	Employees' Share Option Scheme Committee

Code of Conduct

The Board firmly believes in and observes the Directors' Code of Ethics established by the Companies Commission of Malaysia ("CCM") which can be viewed on CCM's website.

The Group adopts the "Code of Ethics for Business Conduct" (the "Code") which applies to the management and employees of the Group. The Code is an ethical compass, which addresses the most relevant ethical issues that an employee can face in his or her daily work life. The Code has a set of provisions that ensure the Group is in compliance with laws and regulations, privacy, confidentiality and sound employment practices. The Code includes provisions on conflicts of interests, business courtesies and the protection and proper use of the Group's resources and assets.

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Whistle-blowing Policy

The Board has formed the Whistle-blowing Committee which serves as a platform to facilitate concerned employees and any member of the public such as our suppliers, agents, contractors, shareholders and customers who become aware of any misconduct or inappropriate practices, to submit reports/complaints of any such misdeeds, bad practices or suspected irregularity, by email to whistleblower@tomypak.com.my or respective Committee members or physical delivery of such reports to company by mail to office premises. The Whistle-Blowing Committee consists of two (2) Independent Non-Executive Directors.

Anti-Bribery and Anti-Corruption

The Malaysian Anti-Corruption Commission Act 2009 (Amended 2018) provides that "a commercial organisation commits an offence if any person associated with the commercial organisation commits a corrupt act in order to obtain or retain business or advantage for the commercial organisation".

To ensure compliance with the above Act, a systematic review was carried out and resulting from this review, the Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") was developed and communicated to all staff. In addition, for the purpose of monitoring and control, all employees are required to declare gifts, entertainment, hospitality and similar benefits they receive or offer, to the Human Resource Department through their respective Heads of Department.

Directors' Fit and Proper Policy

The Board adopted a Directors' Fit and Proper Policy, that serves as a guide to the NRC and the Board in their review and assessment of candidates to be appointed to the Board as well as existing Directors who are retiring and seeking re-election. The policy serves to ensure that the person to be appointed or re-elected as a Director possesses the necessary character and integrity, experience and competency as well as the ability to discharge and give appropriate commitment, participation and contribution to the Board and the Company.

The Directors' Fit and Proper Policy is published on the Company's website.

Strategies for Sustainability

The Board recognises the importance of sustainability development and to promote amongst all employees the value of betterment of the environment, community and workplace. Various policies and best practices have been formulated and documented for all employees to be aware of and adhere to.

The Board delegates to the Sustainability Committee, chaired by the Managing Director with another member of the Board of Directors as Advisor, the management of sustainability/ESG matters, formulating a sustainability development strategy and implementing such initiatives approved by the Board. The Managing Director has been designated to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

An overview of the sustainability initiatives is provided in the Sustainability Report on pages 44 to 73 of this Annual Report.

Access to Information and Advice

The Board has access to timely and accurate information within the Group, which allows them to discharge their duties effectively and efficiently. All Directors are furnished with comprehensive board papers, usually one (1) week before the Board meeting, to enable the Directors to have sufficient time to review the board papers and to obtain further explanations and information, where necessary, to facilitate the decision making process and the meaningful discharge of their duties.

The board papers include the meeting agenda, minutes of previous meeting, updates on matters arising from previous meeting, financial results, marketing and sales results, rolling forecasts for the financial year, industry issues and developments, human resources matters, and where appropriate for the Board information, latest developments in the Group. All proceedings of the Board and the Board Committees are minuted, reviewed and confirmed at the subsequent meeting by the respective Chairman of the meetings.

Directors have access to the key personnel as well as the Internal Auditors and External Auditors of the Group. Where necessary, Board members are also entitled to seek independent professional advice on specific issues at the Group's expense to enable them to discharge their duties.

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Qualified Company Secretary

The Board has engaged the services of qualified and competent Company Secretaries who provide support to the Board for ensuring that the Board and its each respective committee's procedures are adhered to and that applicable laws and regulations are complied with. These include obligations of Directors relating to disclosure of interests and disclosure of any conflict of interests in transactions with the Group.

The Company Secretaries organise and attend all Board and Board Committee meetings and are responsible for ensuring that meeting procedures are followed and the Group's statutory records are maintained accordingly at the registered office of the Group.

Board Charter

The Board has adopted a Board Charter which sets out the structure, role, function, composition and responsibilities of the Board. The Board Charter is used as a source of reference and provides insights to the Board.

The Directors will periodically review and where necessary revise the Board Charter in accordance with the needs of the Group and any new regulations that may have impact on the discharge of the Board's duties and responsibilities.

The Board Charter is available for reference in the Company's website.

EFFECTIVE AUDIT AND RISK MANAGEMENT

The Board appreciates that an effective and robust risk management and internal control framework is necessary to ensure that the Group executes its strategies with measures taken to minimise risk and impact of potentially adverse events. In this respect, the Group also manages this effectively through the Audit Committee, the Risk Management Committee, the Investment and Development Committee and the internal audit function.

Audit Committee ("AC")

The Audit Committee ("AC"), with the assistance of Internal Auditors and External Auditors, reviews and reports to the Board on the adequacy and effectiveness of the Company's system of internal controls (including financial, operational, compliance and information technology controls) established by management.

In assessing the adequacy and effectiveness of internal controls, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations. The importance and emphasis placed by the Group on internal controls is underpinned by the fact that the key performance indicators for management's performance takes into account the findings of both Internal Auditors and External Auditors and the number of unresolved or outstanding issues raised in the process.

The AC is chaired by an Independent Non-Executive Director. All members of the AC are Independent Non-Executive Directors, including a Director who is a member of the Malaysian Institute of Accountants ("MIA"). The composition, terms of reference and activities of the AC are set on pages 36 to 39 of this Annual Report.

Assessment of Suitability and Independence of External Auditors

The Company has always maintained a transparent relationship with its External Auditors through the AC in seeking professional advice and ensuring compliance with accounting standards.

The AC has reviewed and monitored the suitability and independence of the external auditors, assessed their performance and reported to the Board its recommendation for the reappointment of the External Auditors at the forthcoming AGM.

The External Auditors are invited to attend the AGM of the Company and are available to respond to any shareholders' enquiries. There were no significant non-audit services provided by the External Auditors for FY2023, except for the review of the Statement on Risk Management and Internal Control.

EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management Committee ("RMC")

The Risk Management Committee ("RMC") assists the Board in developing, evaluating and monitoring risk policies, procedures and controls. The composition, terms of reference and activities of the committee are set out below:

The RMC in FY2023 comprised the following members:

Chairman
Lim Bee Leong (Independent Non-Executive Director) (Appointed on 1 February 2023)
Datuk Kamal Bin Khalid (Independent Non-Executive Director, resigned on 31 December 2022)
Members
Azmi Bin Arshad (Independent Non-Executive Director)
Tan See Yin (Executive Director, appointed on 29 December 2022 & resigned on 1 February 2023)
Tok Fu Soon (Senior Manager of Corporate Affairs of Tomypak Flexible Packaging Sdn. Bhd.) (Resigned on 10 January 2023)
Lee Kwee Heng (Managing Director) (Appointed on 1 February 2023)

The functions of the RMC are as follows:

a) investigate and assess prevailing state of internal and external risk control already in place in the Group;

b) extract, encourage or assist members of staff to highlight and propose strategies and action plans to overcome identified risks;

c) where necessary, provide assistance and advice to Board members of the Group on reasonable strategies and action plans to overcome, lessen or limit unavoidable risks;

d) highlight to the Board of Directors any situation, transaction, procedure or conduct that raises questions of negligence;

e) ensure coordination where participation of more than one department of the Company is required to avoid or lessen a prevailing risk;

f) review reports from the Group relating to:

   i) risk identification;

   ii) steps taken to avoid/lessen risk;

   iii) damage control (emergency plan) i.e. steps in place or to be taken in the event existing preventive measures fail; and

   iv) monitoring the risks and control continuously.

g) communicate any updated and new processes to all employees with the Company so as to build awareness amongst all employees; and

h) ensure appropriate training in risk management are provided to all employees to enhance greater understanding and facilitate informed decision making.

The Statement on Risk Management and Internal Control set out on pages 40 to 43 of this Annual Report provides an overview of the state of risk management and internal control within the Group.

Investment and Development Committee ("IDC")

IDC was formed in February 2016 *(formerly known as Development Committee when it was first formed in 2015)* to oversee and manage the key risks in relation to the Group's expansion program. The role of the IDC was expanded to assist the Board in reviewing the strategic plans for future growth of Tomypak, including review of any potential mergers and acquisitions, assessing other strategies for the future sustainable expansion and growth, major procurement and other corporate matters. The IDC after careful deliberations will then make the final recommendations to the Board of Directors for approval.

EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Investment and Development Committee ("IDC") (Cont'd)

After the unfortunate fire incident of 19 December 2021, the IDC undertook the key role in reviewing and managing key risks in relation to the Business Recovery Plan prepared and implemented by the Management to ensure that primarily goals such as customer base protection and retention, reinstating production capabilities within the shortest timeframe and positioning the Company to address new customer requirements and market trends are successfully implemented. The IDC also undertook the responsibility of reviewing and ensuring that all risks associated to expansion strategies are appropriately reviewed, discussed and mitigating strategies are in place to minimise or eliminate the risks identified.

The IDC after careful deliberations will then make the final recommendations to the Board of Directors for approval.

The IDC in FY2023 comprised of the following members:

Chairman
Yong Kwet On (Non-Independent Non-Executive Director)
Members
Datuk Kamal Bin Khalid (Independent Non-Executive Director, resigned on 31 December 2022)
Tan See Yin (Executive Director, resigned on 1 February 2023)
Mr. Lim Bee Leong (Independent Non-Executive Director) (Appointed on 1 February 2023)
Mr. Lee Kwee Heng (Managing Director) (Appointed on 1 February 2023)

The IDC met on four (4) occasions during FY2023. The following activities were undertaken by the IDC during the financial year under review:

- reviewed whether the Group had achieved the initial targets set out for the expansion and discussed with management appropriate strategies and action plans to make up for the shortfall;
- reviewed potential mergers and acquisition candidates put forth by Management for consideration and briefed the Board;
- initiated and oversaw the revision of the Group's strategies and action plans to achieve further growth for the Group;
- reviewed 5 years strategic plan and action plans on sales & marketing, financial & corporate, production, human resources and corporate social responsibilities to achieve approved business target;
- reviewed and recommend the five major key performance indicators ("KPIs) of the Group to the Board for approval and implementation;
- reviewed and approved the Business Recovery Plan proposed by the Management for consideration and briefed the Board; and
- reviewed the proposed acquisition of EB Packaging Sdn Bhd and all the relevant matters including result and findings of the due diligence exercises.

Internal Audit Functions

The Group has an internal audit function that is outsourced to an independent consultant firm, who submits and present relevant internal audit reports to the AC on a quarterly basis.

The AC reviewed the internal audit scope of work, audit plans prior to the commencement of the internal audit. The audit has been conducted with reference to the guidelines of the International Professional Practice Framework for Internal Audit, International Standards for the Professional Practice of Internal Auditing and Code of Ethics as well as the Group's policies.

The Internal Auditors reported to the AC on their audit findings and the proposed action plans together with the action timelines by the process owners. If needed they will also recommend areas for improvements. Follow-up audits will also be carried out by the Internal Auditors to review the status of the action plans.

The internal audit function of the Group is detailed in the Statement on Risk Management and Internal Control on pages 40 to 43.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Compliance with applicable financial reporting standards

The Board aims to present a balanced and understandable assessment of the Group's financial performance and prospects to its shareholders, investors, regulatory authorities and other stakeholders. The assessment is primarily provided in the audited financial statements and the quarterly results announcement as well as the Chairman's Statement and the Management Discussion and Analysis in the Annual Report. The Board ensures that the financial statements are drawn up in accordance with the requirements of the Companies Act 2016 and applicable accounting standards in Malaysia, particularly new standards as these standards are adopted in Malaysia.

The Audit Committee assists the Board to oversee the Group's financial reporting process and the quality of its financial reporting.

The Audit Committee reviews the quarterly unaudited financial results and announcements, final audited financial statements of the Group prior to recommending them to the Board of Directors for adoption and approval. The review is to ensure that the audited financial statements are in compliance with the provisions of the Companies Act 2016 and the applicable accounting standards issued by the Malaysian Accounting Standard Board.

The Audit Committee also reviews the audit findings of the External Auditors arising from the audited financial statements as well as the audit findings of the Internal Auditors together with the Management's responses thereon.

A Statement by Directors outlining the responsibilities of Directors and officers in preparing the financial statements is set out on page 74 of this Annual Report.

Strengthen Relationship Between Company and Shareholders Through Effective Communications

The Company understands and values the importance of effective communication with its shareholders. The Group strives to provide its shareholders and investors with an overview of the Group's performance and operations by the timely release of financial results announcement through the Bursa Malaysia Securities Berhad website on a quarterly basis.

In addition, the Managing Director plays a major role in providing updates on the Group's activities by conducting regular meetings, dialogues and discussions with fund managers, financial analysts and media.

The AGM of the Group also represents the principal forum for dialogue and interaction with all shareholders. Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report at least 21 days before the date of the meeting. At each AGM, the Board encourages shareholders to participate in the question and answer session. The Chairman and other Directors as well as the External Auditors are present to answer questions raised by shareholders at the AGM including questions raised by the Minority Shareholders Watch Group. Results of all resolutions proposed at the AGM are announced to Bursa Malaysia Securities Berhad at the end of the meeting day.

The rights of shareholders, including the rights to demand for a poll, are found in the Company's Constitution.

To maintain transparency and effectively address any issues or concerns, the Group has created an email address at investor@tomypak.com.my where shareholders or other parties may raise any queries or concerns pertaining to the Group. Relevant queries will be reviewed and addressed by the Board accordingly.

Timely and High-Quality Disclosure

The Board observes the Corporate Disclosure Policy issued by Bursa Malaysia Securities Berhad which can be viewed at Bursa Malaysia Securities Berhad's website and complies with the disclosure requirements of the Main Market Listing Requirements.

The Group's corporate website serves as a key communication channel for shareholders, investors and the public to obtain up-to-date information on the Group, such as press statements, announcements, and corporate activities. As required by the Malaysian Code on Corporate Governance, the Board Charter and Corporate Governance Report are also available on the aforesaid website.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Information Technology

The Board fully recognises and subscribes to the use of information technology as an efficient means of communication with all stakeholders. In this respect, information on the Company's website is regularly updated to ensure effective dissemination of information to all stakeholders. Information on the Company, its annual reports, quarterly and other announcements and other relevant information are easily available for reference on the Company's websites. Shareholders and investors can also write in to investors@tomypak.com.my to post any enquiries.

DIRECTORS TRAINING

All the Directors have completed the Mandatory Accreditation Programme ('MAP') as required by Bursa Malaysia Securities Berhad.

The Directors will continue to attend relevant seminars and courses to stay abreast with the various issues arising from the ever-changing business environment, regulatory and corporate governance developments to enhance their professionalism and knowledge to effectively discharge their duties and obligations.

The trainings attended by the Directors, collectively or individually were as follows:

Name of Director	Topic of Seminar/Briefing
Yong Kwet On	• Bursa Malaysia's Enhanced Sustainability Reporting Framework • Preparing for Corporate Liability Provision • Conflict of Interest ("COI") and Governance of COI Programme
To' Puan Rozana Binti Tan Sri Redzuan	• Rise of the Chatbots: Artificial Intelligence and the Future of Accounting
Name of Director	**Topic of Seminar/Briefing**
Azmi Bin Arshad	• Tax Investigation: A Step Up Into The Future • Climate Change and Carbon: From the Financial Risk & Reporting Perspectives • Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements • Supercharge ESG Ambitions with Technology • Characteristics of ESG & Sustainability Leadership • ESG Oversight: Role of Board • Certified Sustainability (ESG) Practitioner Program: Advanced Edition 2022 • Masterclass – Mergers & Acquisitions for Board • Section 17A of the MACC Act 2009 and Adequate Procedures • Introduction to Sustainability Reporting and the GRI Standards/ Reporting with GRI Standards • Reporting on Human Rights with GRI Standards • Integrating SDGs into Sustainability Reporting • Bursa Malaysia's Enhanced Sustainability Reporting Framework • Preparing for Corporate Liability Provision
Lim Bee Leong[2]	• Mandatory Accreditation Programme
Lee Kwee Heng[4]	• Mandatory Accreditation Programme • Sustainability Development and Reporting

DIRECTORS TRAINING (CONT'D)

[1] *Datuk Kamal Bin Khalid (resigned on 31 December 2022).*
[2] *Lim Bee Leong (appointed on 1 February 2023).*
[3] *Tan See Yin (resigned on 1 February 2023).*
[4] *Lee Kwee Heng (appointed on 1 February 2023).*

OTHER COMPLIANCE INFORMATION

Material Contracts

There were no material contracts entered into by the Company or its subsidiaries during the financial year which involve the Directors and substantial shareholders' interests.

Utilisation of Proceeds

No proceeds were raised by the Company from any corporate proposal during the year.

Audit Fees

The amount of audit fees payable to External Auditors by the Group for the financial year ended 30 June 2023 amounted to RM192,000.

Non-Audit Fees

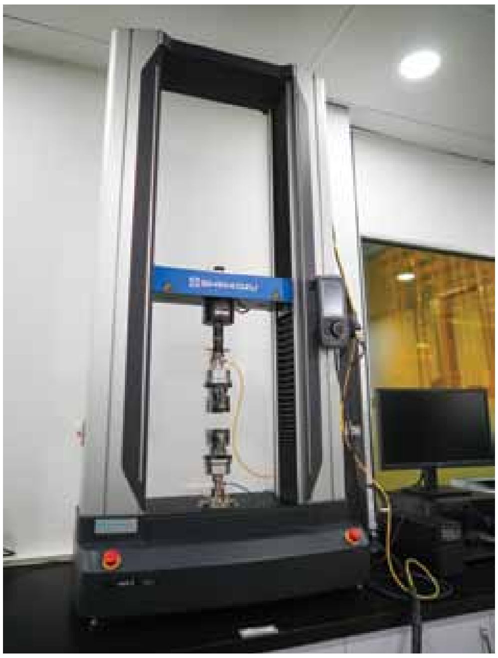
Non-audit fees incurred by the Group for the financial year ended 30 June 2023 amounted to RM99,000. This is principally for the review of Statement on the Risk Management and Internal Control for Annual Report 2023 and preparing the Reporting Accountants' letter for the proposed acquisition of EB Packaging Sdn. Bhd.

Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Group and the Directors by the relevant regulatory bodies.

2023 AND BEYOND

The Board recognises that there will always be opportunities to improve corporate governance activities which will enhance the profile of the Group amongst all its stakeholders. In this respect, the Board will continue to ensure that emphasis will be placed on specific areas that the Group needs to improve.



AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial year ended 30 June 2023 ("FY2023").

MEMBERS OF AUDIT COMMITTEE

The Audit Committee was established by the Board on 15 March 1996. The members of the Audit Committee during the FY2023 are as follows:

Chairman
Azmi Bin Arshad (Independent Non-Executive Director)
Members
To' Puan Rozana Binti Tan Sri Redzuan (Independent Non-Executive Director)
Lim Bee Leong (Independent Non-Executive Director) (Appointed on 1 February 2023)

The Audit Committee consists of three (3) Independent Non-Executive Directors, including one director who is a member of the Malaysian Institute of Accountants ("MIA"). Please refer to the Directors Profile for further details of the members.

TERMS OF REFERENCE

The terms of reference of the Audit Committee are as follows:

1. Objectives of the Committee

The objective of the Audit Committee is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

In addition, the Audit Committee shall:

a) oversee and appraise the quality of the audits conducted both by the Company's Internal Auditors and External Auditors;

b) maintain open lines of communication between the Board of Directors, the Internal Auditors and the External Auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and

c) assess the Group's processes relating to its risks and control environment.

2. Functions

The functions of the Audit Committee are as follows:

a) review the following and report the same to the Board of Directors:

i) with the external auditors, the audit plan;

ii) with the external auditors, their evaluation of the system of internal controls;

iii) with the external auditors, the audit report;

iv) the assistance given by the Company's employees to the External Auditors; and

v) any related party transaction and conflict of interest situation that may arise within the Company or the Tomypak Group including any transaction, procedure or course of conduct that raises questions of management integrity..

b) consider the External Auditors' independence, objectivity, effectiveness and terms of engagement, including taking into consideration the provision of audit and non-audit services by the external auditors before recommending their re-appointment and fees;

c) discuss with the External Auditors before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved;

d) review the quarterly results and period-end financial statements of the Company and its subsidiaries, focusing particularly on:-

- any changes in accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.

e) discuss problems, issues and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);

f) review the External Auditor's management representation letter and Management's response.

g) carry out the following:

- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
- review the appointment and performance of a firm of qualified professionals as the Tomypak Group's Internal Auditors as well as their independence and objectivity in fulfilling the internal audit function; and
- review the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

h) consider the major findings of internal investigations and Management's response; and

i) consider the major findings of internal investigations and Management's response; and

3. Meetings

The Audit Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties.

In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any Committee member, the Managing Director, the internal Auditors or the External Auditors.

The Company Secretary or other appropriate senior official shall act as secretary of the Audit Committee and shall be responsible, in consultation with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to Committee members prior to each meeting.

The secretary of the Audit Committee shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to the Committee members and to other members of the Board of Directors.

A quorum shall consist of a majority of Independent Directors.

The Company must ensure that other directors and employees attend any Audit Committee meeting when invited.

The Audit Committee held a total of seven (7) meetings during the financial year ended 30 June 2023. The attendances of the Audit Committee members are as follows:

Composition of Audit Committee	Meetings Attended
Azmi Bin Arshad (Chairman)	**7/7**
To' Puan Rozana Binti Tan Sri Redzuan (Member)	**7/7**
Lim Bee Leong (Member)	**3/3**

In addition, the Audit Committee also held one (1) private session with the External Auditors without the presence of the Management for the financial year under review.

AUDIT COMMITTEE REPORT (CONT'D)

ACTIVITIES OF THE AUDIT COMMITTEE

The following activities were undertaken by the Audit Committee during the financial year under review:

a) reviewed the quarterly unaudited financial results and announcements of the Group prior to recommending them to the Board of Directors for approval;

b) reviewed the audited financial statements of the Group prior to recommending them to the Board of Directors for approval;

c) reviewed with the External Auditor their scope of work, audit plans and reporting requirements for the financial year under review;

d) reviewed the External Auditors' competency, independence and suitability and recommend to the Board of Directors for their reappointment and their audit fee;

e) reviewed related party transaction and conflict of interest situation that arose within the Tomypak Group;

f) reviewed the internal audit reports, which highlighted the audit issues, recommendations and the Management's response. Discussed with management the actions taken to improve the system of internal control;

g) recommended to the Board the improvement opportunities in risk management, internal control and governance processes;

h) reviewed the Group's compliance with the Listing Requirements of the Bursa Malaysia Securities Berhad and other relevant legal and regulatory requirements; and

i) deliberated, including discussion with legal counsel, and investigated certain issues raised in the previous Annual General Meeting.

INTERNAL AUDIT FUNCTION

The Group does not have an internal audit department. Instead, the Group has engaged an independent firm as Internal Auditors to ensure that the Group continually has in place a sound system of internal controls for identifying, evaluating and managing significant risks that may be faced by the Group. The Internal Auditors provide independent and objective reports on various functional areas of the Group, including the organisation's management, recording systems, various policies and procedures to the Audit Committee and the Board.

The role of the internal audit function is totally independent and not related to the Group's External Auditors. The internal audits will include evaluation of the processes by which significant risks are identified, assessed and managed and ensuring that instituted controls are appropriate and effectively applied and the risk exposures are consistent with the Group's risk management policy.

During the financial year under review, three (3) internal audits were performed by the Internal Auditors to identify the risks associated with the activities, processes and systems of the areas audited. An evaluation of the risk was conducted based on an examination of the policies, manual and standards that govern these activities, processes, systems and data contained in relevant systems. Key personnel were also interviewed as part of the review process by the Internal Auditors.

The identified risks were then evaluated in terms of probability of occurrence and their impact on the functional process and the potential impact on the company after taking into consideration Management's existing controls at the time of audit.

Internal audit reports are presented in detail to the Audit Committee highlighting the audit issues, the root cause of any issues discovered, the risks and implications, audit recommendations, management action plans, persons responsible and implementation timeline. The Audit Committee discusses with Management the actions taken or further required to improve the internal control system and may recommend to the Board improvements in risk management, internal control and governance processes. A follow up review on the action plans to be undertaken by Management is also conducted by the Audit Committee at the subsequent internal audit presentation.

During the financial year under review, the following internal audit reviews were conducted on the key process risks, controls and compliance surrounding the following areas:-

a) Payroll Function (which covering overtime management, segregation of duties, payroll processing for resigned employees and leave management);

b) Anti-Bribery Management System (which covering enhancement on conflict of interest declaration, due diligence, systematic review and monitoring, training and communication as well as reviewing on termination process); and

c) Warehouse and Logistics Management (including review on receiving process, inventory inter-transfer, delivery of finished goods, periodic inventory count and performance evaluation on external transporter).

The internal audit fees incurred by the Group for the financial year ended 30 June 2023 amounted to RM41,500.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") is committed to maintaining a robust system of internal controls as well as to ensure that there is an adequate and effective risk management system in place to safeguard shareholders' investment and the Group's assets. The Board acknowledges its responsibility to identify major risks faced by the Group and ensure that relevant internal controls and appropriate and adequate operational policies and procedures are in place and complied with, to manage these risks within an acceptable risk profile to ensure that the Group's business objectives are achieved.

In view of the above, the Board is pleased to provide the following Statement on Risk Management and Internal Control which outlines the nature and scope of internal controls of the Group during the financial year under review, pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

BOARD OF DIRECTORS' RESPONSIBILITIES

The Board acknowledges its responsibility to maintain a sound system of risk management and internal controls and ensure accurate information is presented in the financial statements. Risk management and internal control systems are designed to manage rather than eliminate the risk of failure in achieving business objectives. In view of the inherent limitations in any system of internal controls and risk management, it can therefore only provide reasonable, rather than absolute assurance against material errors, losses, or misstatements.

In pursuing the business objectives, internal controls can only provide reasonable but not absolute assurance against material misstatement, loss or fraud. As such, the Board recognises that the risk management and internal control system is an important part of managing risks to attain a balanced achievement of its business objectives, and operational efficiency and effectiveness and considers the risk management and internal control system to be satisfactory for the financial year under review and up to the date of approval of this Statement on Risk Management and Internal Control.

The Board has endeavoured to identify the relevant major risks faced by the Group on a regular basis in order to monitor these risks so as to ensure that the Group achieves its business objectives. The process is regularly reviewed by the Board and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The Board has received assurance from the Managing Director and Assistant General Manager – Finance & Accounting, that the Group's risks management and internal control system for the financial year and up to the date of approval of this Statement on Risk Management and Internal Control is generally operating adequately and effectively, in all material aspects based on the risk management and internal controls system of the Group, albeit there may be lapses that could impact the overall performance of the Group.

THE RISK MANAGEMENT FRAMEWORK

In reviewing the adequacy and effectiveness of the risk management and internal control system, the Board has always ensured that there is appropriate delegation of duties and responsibilities by the Board to the Managing Director and the Management in carrying out the main operating functions of the Group in line with its business plans and annual budgets.

The Board has insisted on the proper analyses and identification of significant risks that may affect the Group's business operations and sustainability. Appropriate risk management and internal control systems are then put in place to manage these risks with clear strategic action plans. The Board mandates the Internal Auditors to conduct further audit periodically on critical risk areas to ensure that these risks are well managed, and that mitigation measures and appropriate actions have been undertaken by the Management.

The Board is assisted by the Risk Management Committee ("RMC") in ensuring that there is an on-going and systematic risk management process undertaken by the Management to identify, assess and evaluate principal risks.

INVESTMENT AND DEVELOPMENT COMMITTEE

In addition to the RMC, the Board, established an Investment and Development Committee ("IDC") in the year 2015. The IDC is led by a Non-independent Non-Executive Director and the members comprise an Independent Director, the Managing Director and the Management team.

The scope of the IDC includes review and recommendation to the Board for approval or otherwise of any potential collaboration, mergers or acquisitions and other key growth strategies.

During the financial year under review, four (4) IDC meetings were held to review, analyse and propose where appropriate and feasible to implement and recommend these investments and/or development plans to the Board for approval. The IDC had taken reasonable steps to ensure that the investment and/or development plans include commercial and financial justifications, as well as ensuring that the source of funds were identified. The IDC also ensures that appropriate operational strategies including sales and marketing strategies, financial strategies and human resource strategies are in place.

A comprehensive strategic plan including performance indicators, business, operational, sales and marketing, financial, human resource and sustainability strategies were presented to the Investment and Development Committee for review and discussed to ensure that the Group's long-term objectives are met.

During the financial year under review, the IDC monitored the refurbishment and retrofitting of the Tampoi plant is now fully operational. In addition, the IDC had also reviewed the proposed business collaboration and acquisition opportunity with EB Packaging Sdn Bhd and recommended to the Board for the next course of action.

INTERNAL AUDIT FUNCTION

To enhance the effectiveness of the risk management and internal control system, the internal audit function of the Group has been outsourced to an independent consultant firm, Tricor Axcelasia Sdn Bhd since May 2019, who submits the relevant internal audit reports for the Audit Committee's deliberation on a quarterly basis.

The Group adopts a risk-based approach to the implementation and monitoring of relevant internal controls. The Internal Auditors conduct briefing and interview as part of risk assessment to identify significant concerns and risks perceived by the Operational Risk and Management Committee ("ORMC") to draw up the risk-based internal audit plan.

Meetings are held between the Internal Auditors, head of divisions/departments and the Management to discuss actions taken on internal control issues identified through reports prepared from regular internal audit visits. Additionally, internal audit reports together with findings, management's responses and corrective actions are presented by the Internal Auditors to the Audit Committee.

During the financial year under review, the Internal Auditors reviewed the payroll function, anti-bribery management system as well as warehouse and logistics management. Updates to the risk register, based on the internal audit findings, were presented to the Audit Committee by the Management for review and accordingly recommended to the Board for deliberation and approval. Certain control and operational areas were identified for further improvements and corrective actions taken based on the recommendations of the Internal Auditors.

None of the above areas identified have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report. The Management of the Group continues to take measures to strengthen the internal control environment from time to time based on the recommendations by the Internal Auditors.

Any areas of improvement identified during the course of the statutory audit are also brought to the attention of the Audit Committee to ensure remedial action is taken.

The Board recognises that the development of the risk management and internal control system is an on-going process for identifying, evaluating and managing the risks faced by the Group, as the Group undergoes various phases of growth, more so as the Group has invested substantially to expand its production capacity.

The Board maintains an ongoing commitment to strengthen the Group's internal control function and processes.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Indeed, the Board and Audit Committee have always ensured that the Group maintains a sound system of internal controls, corporate governance and best practices taking cognisance of possible establishment of additional processes for identifying, evaluating and managing the significant risks within the Group in accordance with the guidelines stipulated in the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" issued by Bursa Malaysia Securities Berhad.

Within the Group, effective risk management is dynamic and on-going and as such has implemented various key internal controls for identifying, evaluating and managing the significant risks that may affect the achievement of its business objectives throughout the financial period under review.

In this respect, the Group has incorporated various key elements into its risk management and internal control system to safeguard shareholders' investment and the Group's assets by:-

- giving authority to the Board's committee members to investigate and report on any areas of improvement for the betterment of the Group;
- performing review on major variances and deliberating irregularities (if any) in the Board meetings and Audit Committee meetings so as to identify the causes of the problems and formulate solutions to resolve them;
- considering comments from External Auditors and consultants on any weaknesses in the risk management and internal control system. The Board would also be informed on the matters brought up in the Audit Committee meetings on a timely basis;
- delegating authority to the Managing Director as the link between the Board and the Management in implementing effective risk management and internal control system and managing the Group's operations in accordance with the Board's expectation;
- keeping the Management informed on the development of action plans for enhancing risk management and internal control system and allowing various management personnel to have access to important, accurate and timely information for better decision-making;
- monitoring key commercial, operational and financial risks through reviewing the risk management and internal control system and other operational structures so as to ensure that reasonable assurance on the effectiveness and efficiency of the same will mitigate the various risks faced by the Group to an appropriate level acceptable to the Board;
- maintaining internal policies and procedures which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group;
- formulating the appropriate business planning, budgeting and Key Performance Indicators ("KPI") so as to ensure the business performance is monitored on an ongoing basis. Key business risks are identified during the business planning process and are reviewed regularly during the financial year under review;
- regular audits (internal and FSSC 22000) to boost operation efficiencies and assure consistency of product quality and work standards;
- on-going quality improvement initiatives throughout the Group;
- monitoring the day-to-day affairs of the Group by the Management team through review of performance and operations reports and attending regular management meetings at different levels of the management hierarchy; and
- conducting regular review, developing and implementing appropriate and clear organisation structure with defined lines of authority, responsibility and accountability in place, to ensure the Group is able to achieve its strategies and business objectives.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 30 June 2023, and reported to the Board that nothing has come to their attention that cause them to believe that the Statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

AAPG3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and the Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

SUSTAINABILITY REPORT

1. INSIGHT TO THIS REPORT

We are pleased to present our Sustainability Report, detailing environmental, and social performance, and governance aspects of Tomypak Holdings Berhad ("Group" or the "Company") for the reporting period 1 July 2022 to 30 June 2023 (Financial Year 2023 or "FY2023"). The report is prepared with reference to Bursa Malaysia's Sustainability Reporting Guide with highlights of the company's contribution towards sustainability development.

1.1 OUR REPORTING APPROACH

SCOPE AND BOUNDARY

This report encompasses the sustainability initiatives and commitments of Tomypak Flexible Packaging Sdn Bhd, a wholly owned subsidiary of the Group and excludes those of SP Plastics Sdn Bhd, a 51% subsidiary.

REPORTING PERIOD

The disclosures in this report cover a 12-month period from 1 July 2022 to 30 June 2023 (financial year 2023 or "FY2023"). The previous Sustainability Report was for a period of 18 months, from 1 January 2021 to 30 June 2022, following a change in the financial year end from 31 December to 30 June.

ASSURANCE

No independent assurance has been conducted for this report.

FEEDBACK AND HOW TO REACH US

We value your thoughts on our sustainability report. Please share your comments or questions at sustainability@tomypak.com.my.

This report is available at www.tomypak.com.my/sustainability

FROM THE DESK OF THE MANAGING DIRECTOR

Dear Reader,

It gives me immense pleasure to present the Sustainability Report for Tomypak encompassing our performance and activities in the financial year 2023. As a leading player in the flexible manufacturing industry, our responsibility extends beyond the boundaries of our facilities and spreads into the communities and ecosystems that we are a part of.

Sustainability is not just a buzzword for us; it is a business imperative that guides our operations and future development. In this report, we have taken steps to be transparent about our efforts to achieve a sustainable and resilient business model.

We have structured this report in line with Bursa Malaysia's Sustainability Reporting Guide, and believe that we are accountable to our shareholders, stakeholders, and a broader community concerned with sustainability.

"We regard sustainability as a fundamental catalyst for our business efforts. It's part of our culture."

Lee Kwee Heng
Managing Director
Chair of Sustainability Committee

Being in the manufacturing sector, we are aware of the challenges we face in the areas of waste management, energy consumption, and greenhouse gas emissions. Our team has worked diligently to ensure that we adhere to the environmental regulations, not merely as a compliance measure but as a commitment to ecological responsibility.

On the social front, we have initiated various community engagements and employee well-being programs that stand testament to our dedication towards enriching lives. Our focus on creating a diverse and inclusive workplace has given us an edge in fostering innovation and enhancing productivity.

I would like to extend my deepest appreciation to our employees, partners, stakeholders, and the community at large for their support and trust to help us contribute towards sustainability development.

Thank you for taking the time to read this report, and for being part of our sustainability journey.

LEE KWEE HENG
Managing Director

ABOUT TOMYPAK

Tomypak is a leading manufacturer of flexible packaging in Malaysia with over 40 years of experience specialising in the production of high-quality flexible packaging materials. Headquartered in Tampoi Industrial Zone, Johor, we cater to various industries, including food and beverage, personal care, and others.

Established in 1979, Tomypak went public on the Malaysian stock exchange in 1996 and earning the Food Safety System Certification (FSSC 22000 v5.1) in 2023.

Our newly retrofitted Tampoi plant is equipped with technologically advanced machinery and equipment after our Senai factory was destroyed by fire in December 2021.

Vision

To be the leading innovator for sustainable high-barrier packaging in the Flexible Packaging Converting Industry in this region.

Purpose and Mission

To be the leading innovator of a flexible food packaging company in this region through:

- provision of value-added high-barrier metallised packaging with our technologically advanced equipment and experienced skilled workforce;
- continuous research and development to develop sustainable packaging to meet the requirements of our customers;
- efficient production with leading-edge facilities to meet market demands at all times;
- creating value for all stakeholders with strong corporate governance and solid financial management.

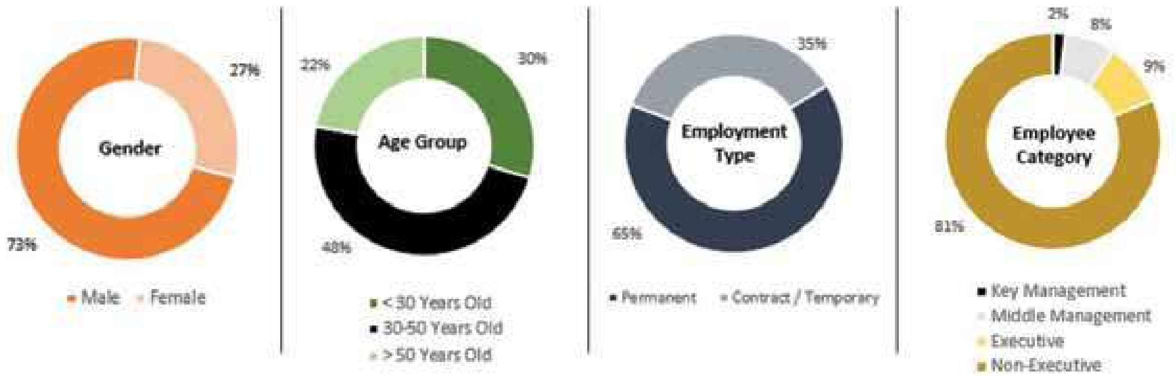
CORE VALUES

[1] FSSC Certification Public Register, *FSSC*, www.fssc.com/public-register/MYS-1-4957-533550.

OUR MARKET FOOTPRINT

OUR WORKFORCE

Our workforce of 212 employees[2] is central to our sustainability efforts, offering a diverse range of skills and backgrounds that enrich our organisational culture and drive our performance.



- Permanent employees are local workers who cannot arbitrarily terminate their employment.
- Contract employees are on a fixed-term or short-term employment basis where the contract may be renewed upon expiration. Examples are foreign workers, expatriates and employees above 60 years old.

The company is a member of the Malaysian Employers Federation (MEF).

2 See Schedule 7.5 for detailed information on workforce data.

2. FY2023 SUSTAINABILITY HIGHLIGHTS

CREATING SHARED SUSTAINABLE VALUE

7
key policies to support sustainability with best practices

80%
of our suppliers are local, of which 75% are Johor-based.

PEOPLE DRIVE OUR PROGRESS

71%
of our workforce comprises of members of local communities

65%
of our workforce consists of permanent employees

2373
aggregated training hours for all employees

FSSC 22000 v5.1
awarded internationally recognised food safety certification

TOWARDS A GREENER TOMORROW

44%
of production waste (excluding scheduled waste) were recycled

35
metric tonnes of scheduled waste (SW 302 & SW 409) disposed of in accordance with regulations

3. OUR SUSTAINABILITY APPROACH

We believe that business success is measured beyond financial gains, and hence we also consider impacts of our business and operations on the community and the environment.

3.1. SUSTAINABILITY STATEMENT

Our commitment to sustainability is integral to our corporate core values, and we strive to manage actual, potential, positive and negative impacts on the environment, people, our customers, the communities in which we operate and other stakeholders.

3.2. GOVERNANCE STRUCTURE

Tomypak upholds strong governance. Under the Board's leadership, headed by Mr. Yong Kwet On, sustainability matters are reviewed at least bi-annually. The Sustainability Committee, led by Mr. Lee Kwee Heng, is advised by En. Azmi Bin Arshad who is our Executive Vice Chairman and a certified sustainability professional.

BOARD OF DIRECTORS
Chaired by Yong Kwet On
Mr.Yong is a Non-Independent Non-Executive Director

ADVISOR
Azmi Arshad
CMI/SE Certified Sustainability (ESG) Practitioner
GRI Certified Sustainability Professional
En. Azmi is Executive Vice Chairman of the Group

SUSTAINABILITY COMMITTEE
Chaired by Lee Kwee Heng
Mr. Lee is Managing Director of the Group

3.2.1. ROLES AND RESPONSIBILITIES

Role	Key Responsibilities
Board of Directors	• Approve overarching sustainability strategies. • Ensure compliance with legal and regulatory requirements. • Make high-level decisions related to ESG (Environmental, Social, Governance) issues and delegates responsibilities to Sustainability Committee. • Review reports and updates from the Sustainability Committee. • Ultimate accountability for the company's sustainability performance.
Sustainability Committee	• Collaborate with internal departments and external partners on sustainability efforts. • Develop and propose sustainability strategies to the Board. • Ensure alignment with relevant frameworks, standards and guidelines. • Execute approved sustainability initiatives and projects. • Gather and analyse sustainability data. • Monitor and report on key sustainability metrics.
Advisor	• Ensure alignment with Business Plan. • Provide expert counsel on sustainability matters and reporting. • Prevent greenwashing.

3.2.2. BOARD OVERSIGHT

The Board is committed to providing strategic direction and rigorous governance for the company. As part of its oversight role, the Board regularly reviews performance metrics, operational efficiencies, and financial integrity to ensure that the company is aligned with its goals and follows relevant legal and ethical standards.

3.2.3. RISK MANAGEMENT AND STRATEGIC INTEGRATION

The Board takes an active role in risk management including ESG considerations towards achieving our objectives as set out in our roadmap (see Section 3.5.1).

3.2.4. CORPORATE GOVERNANCE

The company is guided by the Malaysian Code on Corporate Governance which includes sustainability related governance. Please refer to the Corporate Governance Overview statement in the Annual Report.

3.2.5. DIVERSITY AND INCLUSION IN BOARD COMPOSITION

While the Board recognises that diversity can bring fresh perspectives in deliberations, Board decisions are made objectively in the best interests of the Group taking into account diverse perspectives and insights.

At the same time, the Board is of the view that it is important to recruit and retain the best available talent regardless of gender and ethnicity to maximise the effectiveness of the Board.

Board Composition				
	60 years old and below	**More than 60 years old**	**Total**	**Proportion**
Male	3	1	4	80%
Female	1	0	1	20%
Total	**4**	**1**	**5**	**100%**

SUSTAINABILITY REPORT
(CONT'D)

3.2.6. SUSTAINABILITY COMMITTEE'S MANDATE

While the Board takes overall responsibility and accountability, the Sustainability Committee ensures that sustainability development initiatives are effectively implemented and monitored.

3.3. POLICIES AND CODES

The following policies help us address key sustainability issues responsibly and ethically. These policies may be accessed on the Company's website.

Tomypak Group Policies

1 Anti-Bribery and Anti-Corruption Policy
Demonstrates our commitment to ethical business practices and compliance with relevant laws, by providing guidance on managing potential risks and upholding high standards for employees and partners to prevent bribery and corruption.

2 Code of Conduct for Suppliers
Communicates our expectations for suppliers regarding ethical practices, labour rights, environmental stewardship, and legal compliance, ensuring a responsible supply chain in line with our values and sustainability objectives.

3 Code of Ethics Business Conduct
Sets the ethical principles and standards that guide our employees' and management's conduct in business, addressing topics like conflicts of interest, confidentiality, fair competition and professionalism, and legal compliance.

4 Environmental Policy
Reflects our dedication to minimising environmental impacts, conserving resources, and reducing waste. It establishes a framework for archieving environmental goals and encourages employee participation in sustainability initiatives.

5 Health and Safety Policy
Highlights our commitment to providing a healthy and safety work environment, outlining procedures for managing workplace hazards and fostering a culture of safety and health awareness throughout the organisation.

6 Human Right Policy
Outlines our commitment to human rights, including principles of non-discrimination, fair employment practices, and legal compliance.

7 Whistleblower Policy
Supports employees and stakeholders in reporting suspected unethical, illegal, or unsafe activities, offering a confidential and secure reporting mechanism, and protecting those who raise concerns in good faith from retaliation.

Customer audit in progress on our production floor – a testament to our dedication and commitment to quality and sustainability.

Empowering Our Team with Knowledge: Our dedicated IT staff engages in an intensive cybersecurity week training, focusing on combating phishing threats.

The Townhall Meeting where achievements were applauded, and prospects discussed.

Managing Director, Mr Lee Kwee Heng, meets with staff members from various departments in a Coffee Session to foster communication, collaboration, and a sense of community among employees.

3.4. MATERIALITY ASSESSMENT

Materiality assessment is a vital element of our sustainability approach, helping us identify and prioritise key environmental, social, and governance issues.

OUR MATERIALITY ASSESSMENT PROCESS

1 IDENTIFICATION OF SUSTAINABILILITY MATTERS

- Understand company's distinctive operating context.
- Identify key stakeholders and understand their needs and expectations pertaining to sustainability-related impacts.
- Derive a preliminary list of sustainability matters.

2 PRIORITISATION OF MATERIAL SUSTAINABILITY MATTERS

- Apply materiality concept and undertake stakeholder engagement in prioritisation.
- Disclose prioritised material sustainability matters in a manner which illustrates the relative importance of each material sustainability matter.

3 REVIEW AND VALIDATION OF PROCESS AND OUTCOME

- Subject the outcome of materiality assessment for validation and approval.
- Establish a review process for the materiality assessment process.
- Determine the frequency of undertaking the materiality assessment.

3.4.1. OUR BUSINESS SECTOR

Tomypak operates in the private sector, offering flexible packaging solutions, manufacturing innovative and sustainable packaging materials to various industries. Our flexible packaging solutions includes laminated films, pouches, and bespoke packaging materials. Following an unfortunate fire incident that destroyed our Senai plant in December 2021, our products are manufactured at our main factory located at Tampoi, and also by three major sub-contractors. 69% of our revenue is derived from overseas markets, underscoring our global reach. We serve a diverse customer base spanning 11 countries, predominantly within the food and beverage, and personal care sectors, aiding businesses in safeguarding and effective marketing of their products.

3.4.2. STAKEHOLDER ENGAGEMENT

Engaging with key stakeholders enables us to better understand their needs, expectations, and concerns to inform our decision-making processes and shape our sustainability strategy.

Our stakeholder engagement process is built upon the following key principles:

Inclusiveness: Involve a wide range of stakeholder groups that have a direct or indirect interest in our business operations and sustainability performance.

Regularity: Maintain open communication with our stakeholders, conducting both formal and informal engagements at various levels within and outside the organisation, ensuring a continuous feedback loop.

Responsiveness: Actively listen to our stakeholders' feedback and concerns, taking their input into account when making decisions and implementing actions related to sustainability.

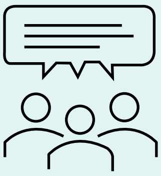
Transparency: Share information openly and honestly, providing stakeholders with accurate and timely information about our sustainability performance, progress, and challenges.

Stakeholder groups were prioritised after consulting representatives from different departments within the company who have dealings with stakeholder groups to capture diversity of perspectives.

3.4.2. STAKEHOLDER ENGAGEMENT (CONT'D)

Each group was assessed against three key considerations, namely influence, dependence and willingness to engage. The stakeholder groups identified to have the most influence and/or most likely to be impacted by Tomypak's business practices are:

- Employees
- Customers
- Suppliers
- Investors and Shareholders
- Government and Regulators

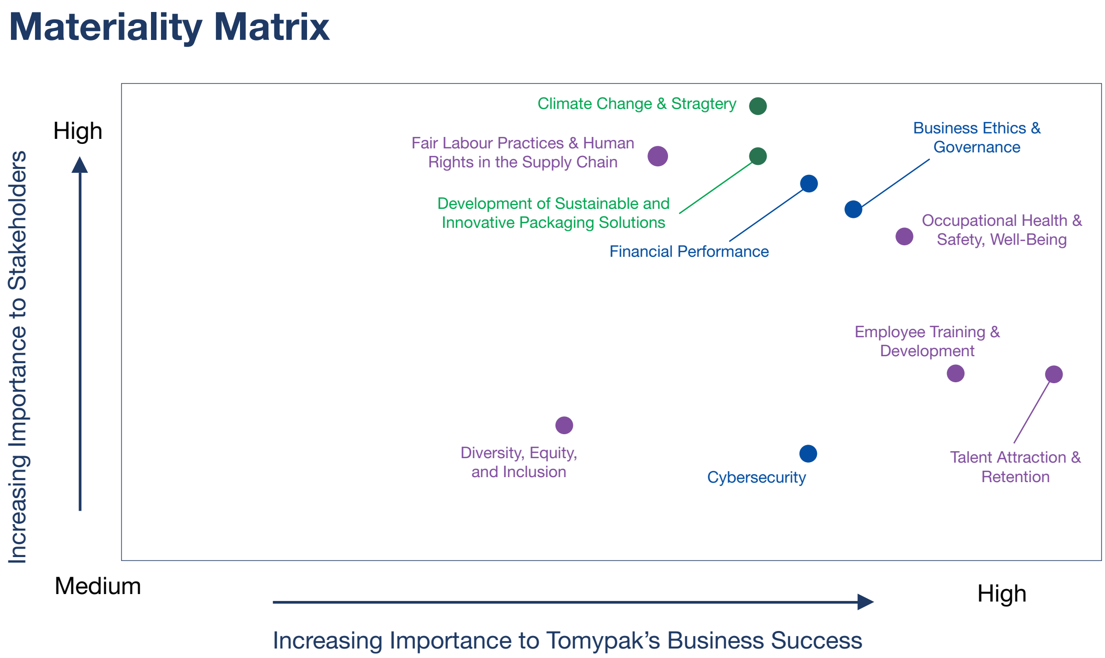
KEY STAKEHOLDER GROUP	ENGAGEMENT APPROACH	AREAS OF CONCERN	EXPECTATIONS
Employees 	• Coffee Sessions • Feedback Surveys • Open House • Performance Reviews • Sustainability Report • Townhall Meetings • Webinars • Workshops	• Climate Issues • Community Engagement • Diversity and Inclusion • Employee Welfare • Ethics • Health and Safety • Human Resource Regulatory Compliance • Human Rights • Sustainability Culture • Training Needs • Work Arrangements	• Competitive wages and benefits • Employment stability • Good career prospects • Involvement in company's sustainability initiatives • Open and transparent dialogue about company update and changes • Reasonable working hours • Robust occupational health and safety measures • Secured data security systems • Transparent and fair treatment from management
Customers 	• Customers' Audits • Dedicated Account Managers • Emails • Feedback • In-Person Visits • Phone Calls • Sustainability Report • Text Messages • Video Conferences	• Climate Issues • Ethics • Food Safety Compliance • Health and Safety • Human Rights • Supply Chain Sustainability • Sustainability Goals Alignment • Sustainability Products and Services • Transparency	• Assurance that company adheres to ethical labour practices • Consistent and high-quality packaging solutions • Competitive pricing without compromising quality • Environmentally friendly products and practices • Products that meet or exceed safety and regulatory standards • Prompt and efficient customer support • Regular updates and advancements in product offerings

KEY STAKEHOLDER GROUP	ENGAGEMENT APPROACH	AREAS OF CONCERN	EXPECTATIONS
Suppliers	• Email • Feedback • In-Person Visit • Open House • Periodic Meetings • Questionnaires • Supplier Audits • Sustainability Report	• Business conduct • Delivery • Ethics • Environmental compliance • Health and Safety • Human Rights • Opportunities for collaboration • Payment Terms • Sustainability Goals Alignment	• Adherence to agreed-upon standards and regulations • Ethical and transparent business practices • Equitable contract terms and condition • Open communication regarding business needs and changes • Prompt settlement of invoices • Sustained and mutually beneficial partnerships
Investors and Shareholders	• Annual General Meeting • Annual Report • Investor Relations Engagements • Sustainability Report	• ESG Performance • Financial Performance • Governance • Labour Relations • Long-term Strategy • Operational Matters • Shareholders Rights	• Adherence to financial and sustainability regulations • Clear roadmap for sustainable growth • Consistent and competitive returns on investment • Detailed and timely financial reporting • Effective strategies to mitigate business risks • Strong corporate governance and ethical conduct
Government and Regulators	• E-Forms • Emails • Forums • In-Person Visits • Phone Calls • Seminars • Websites	• Bursa Listing Requirements • Custom Duties • Environmental Issues • Fire Issues • Health and Safety • Immigration • Labour • Recycling • Taxation	• Accurate and prompt tax filings • Adherence to industry and environmental regulations • Fair labour practices and equal opportunities • Initiatives to minimise environmental impact • Timely and accurate reporting

3.4.3. MATERIALITY MATRIX

Key impacts were identified with reference to material topics in certain sustainability standards and through engagements with key stakeholders. We conduct a materiality assessment by prioritising topics after taking into consideration on the likelihood and severity of economic, social and environmental impacts.

Based on the outcomes of our materiality assessment, the Materiality Matrix visually represents an overview of the most significant sustainability topics.



3.4.4. SDGs IN ACTION

SDG[3]		MATERIAL TOPICS	OUR RESPONSES
			ENVIRONMENT
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	• Climate change and strategy • Development of sustainable and innovative packaging solutions	• Engaged vendors to explore the implementation and integration of Internet of Things (IoT) technology and Manufacturing Execution Systems (MES) to increase operations efficiency, and track and reduce wastages. • Installed carbon filters at factory chimney stacks. • Installed CCTVs, gate barriers, turnstiles and door access control for improved security. • Installed centralised air compressor and chiller for enhanced operational efficiency and streamline maintenance. • Installed factory rooftops that are solar panel ready for the next stage of solar panel installation. • Invested in advanced R&D lab equipment to support innovation and create competitive advantage. • Installed energy-saving LED lightings on production floor to enhance safety. • Installed solar-powered perimeter lights to enhance security and safety. • Installed video conferencing system to facilitate virtual meetings and reduce need for physical travel. • Implemented Microsoft SharePoint e-Form to improve administrative efficiency. • Transitioned to a digital cloud-based Human Resource Management System (HRMS) for managing employee attendance, leave, and claims, replacing paper-based processes.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Ensure sustainable consumption and production patterns		
13 CLIMATE ACTION	• Take urgent action to combat climate change and its impacts		

[3] "Sustainable Development." *United Nations*, www.un.org/sustainabledevelopment

SDG[3]		MATERIAL TOPICS	OUR RESPONSES
			PEOPLE
8 DECENT WORK AND ECONOMIC GROWTH	• Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	• Fair labour practices and human rights in the supply chain • Occupational health and safety, and well-being of employees • Talent attraction and retention • Employee training and development • Diversity, Equity, and Inclusion in the workplace	• Conducted work-related training to develop skillsets and advance career opportunities. • Encouraged Sustainability discussions during employee engagements amongst employees via Townhall Meetings and Coffee Sessions. • Organised 2 community events as part of our corporate social responsibility including visiting ex-employees with serious illnesses. • Renovated a canteen to better serve our employees within the factory premises, and enhance their overall well-being.
			GOVERNANCE
		• Business ethics and governance • Cybersecurity • Financial performance	• Conducted cybersecurity training. • Conducted training sessions such as anti-bribery, anti-corruption, cybersecurity, and health and safety. • Tracked and reported our financial performance.

3.5. SUSTAINABILITY STRATEGY

Our sustainability strategy is premised on the following pillars:

- **Environmental Stewardship:** MInimise impact on the environment by improving resource efficiency, reducing waste, and adopting innovative technologies that reduce greenhouse gas emissions.
- **Sustainable Products and Innovation:** Develop and provide sustainable packaging solutions which meet customer needs. This includes using eco-friendly materials, promoting recyclability, and driving innovation in product offerings.
- **Responsible Supply Chain Management:** Collaborate with suppliers to ensure adherence to our sustainability standards as per our Code of Conduct for Suppliers, including ethical labour practices, environmental protection, and responsible sourcing of raw materials.
- **Social Responsibility and Community Engagement:** Provide for well-being of employees and contribute to the communities in which we operate.
- **Reporting:** Communicate our plans, initiatives, activities and progress through various channels, including the Annual Sustainability Report and company website.

3.5.1. ROADMAP

3.6. MILESTONES

To achieve our sustainability objectives, we have established key goals and targets, structured into realised objectives, near-term targets, and long-term targets:

3.6.1. REALISED OBJECTIVES

- **Food Safety System Certification (FSSC 22000 v5.1):** We were awarded the FSSC 22000 v5.1 certification in February 2023, a globally recognised benchmark for food safety management. In line with the advanced ISO 22000:2018 standard, this accolade reflects our commitment to elite food safety standards. Our certification is not just an emblem of our strict safety protocols but also a tribute to the dedication and proficiency of our team. This achievement reinforces our dedication to public health, customer satisfaction, and regulatory adherence. As we celebrate this milestone, our clients and partners can remain assured of our unwavering focus on quality and safety in every package.

- **Customer Audit:** Tampoi factory has been audited and certified by major customers.


AIB INTERNATIONAL

Tomypak Flexible Packaging Sdn. Bhd.

Food Safety System Certification 22000
FSSC 22000
(version 5.1 – November 2020)

Manufacture of flexible laminated plastic packaging material for food packaging

FSSC Cat I - Packaging for food or feed industry – Plastics

FSSC 22000

3.6.2. NEAR-TERM TARGETS

- **ISO Certifications:** To obtain ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety) certifications for our manufacturing facility by FY2024. These internationally recognised standards symbolize our dedication to top-tier environmental stewardship and occupational safety, guaranteeing a sustainable future for our organisation and all stakeholders.

- **ISCC Plus Certification:** To obtain the ISSC Plus certification, reflecting our commitment to environmental excellence in FY2024. The ISSC Plus certification is an internationally recognised standard that will validate Tomypak for our sustainable and responsible sourcing practices, ensuring compliance with environmental, social and governance (ESG) criteria.

- **Solar Energy:** To achieve 15% solar-powered manufacturing operations by the end of FY2025, reducing our reliance on non-renewable energy sources and lowering our carbon footprint.

3.6.3. LONG-TERM TARGETS

- **Sustainable Solutions:** Our objective is to have 30% of our SKUs made of sustainable structures by FY2025, compared to the baseline year FY2023 of 20%, subject to customers' specifications.

- **Corporate Responsibility Excellence:** We aim to become a FTSE4Good Bursa Malaysia Index series constituent by demonstrating high achievement of the ESG criteria by the end of FY2025.

- **Energy Reduction:** 10% reduction in energy consumption per unit of revenue by the end of FY2028, compared to the baseline year of FY2023. This reduction will be achieved through various energy efficiency measures and investments.

- **Water Conservation:** 5% reduction in water consumption per unit of revenue by the end of FY2028, compared to the baseline year of FY2023. To achieve this, we will educate and raise awareness among our employees regarding water conservation, install water-efficient fixtures and improve the production process.

- **Waste Reduction:** 20% reduction in waste generated from our operations by the end of FY2028, compared to the baseline year of FY2023. This reduction will be accomplished through waste reduction initiatives, improved production processes, and increased recycling and reuse efforts.

- **Community Engagement:** Complete 12 new engagements by FY2028. We will achieve this by collaborating with community organisations and volunteering our time and resources to support community projects.

A 2-day of Sustainability Development and Reporting Training and Workshop was conducted for 13 key personnel to ensure a clear understanding of sustainability development, ESG criteria and reporting requirements, where participants provided valuable input on targets, strategy, implementation of initiatives and management of actual and potential economic, environmental, and social impacts.

Advisor to our Sustainability Committee, En Azmi Arshad, guiding members through best practices in a focused 2-day seminar.,

Certificate of Attendance

This is to certify that

TERRENCE HONG G TAT

participated in the

Tomypak Holdings Berhad

in-house training and workshop on

Sustainability Development and Reporting

on 14-15 February 2023

at Renaissance Johor Bahru Hotel, Johor Bahru, Malaysia

Conducted by: Certified by:

In January 2023, Tomypak employees and Bomba fire brigade share a moment for the camera after concluding a session of fire safety exercises.

4. RISK MANAGEMENT

Effective risk management is a vital aspect of our company's economic performance, as it enables us to address potential challenges and uncertainties that may affect our operations, financial stability, and overall growth.

Our Risk Management Committee is chaired by Mr. Lim Bee Leong who is an independent and non-executive director, and the Managing Director as a member of the committee. The Board, working together with the Risk Management Committee, plays an essential role in overseeing the risk management process, ensuring that it is effectively integrated into the company's overall strategy and decision-making.

Please refer to the Statement on Risk Management and Internal Control in the Annual Report for more details.

Anti-Bribery Anti-Corruption (ABAC)

100%
of employees attended training

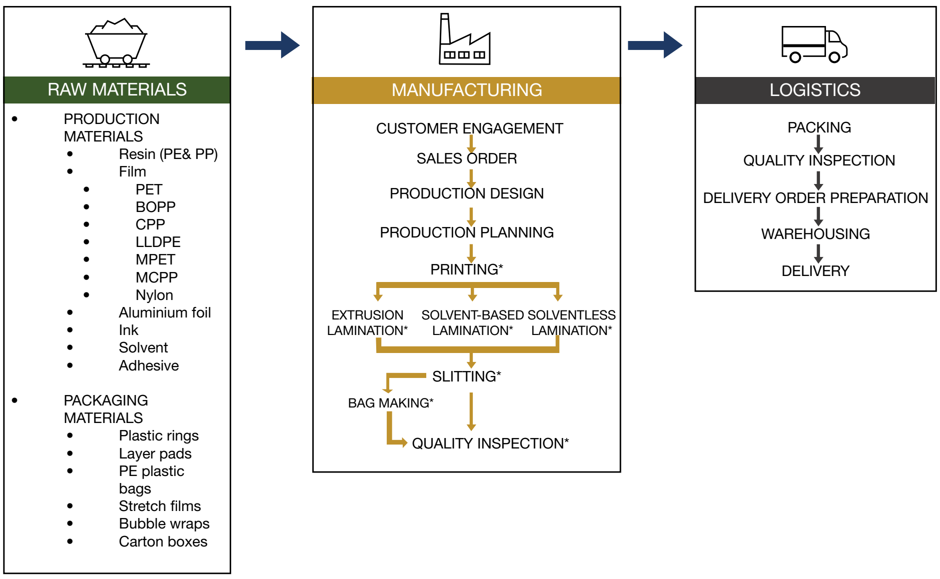
4.1. SUPPLY CHAIN SUSTAINABILITY

Supply Chain Sustainability is vital to our comprehensive sustainability strategy, ensuring responsible and environmentally friendly practices across our entire value chain. To this end, we have established a Code of Conduct for Suppliers. This Code outlines our expectations for ethical business practices, environmental responsibility, and legal compliance and also explicitly demands supplier compliance regarding child labour, forced labour, discrimination, equal opportunity, and upholding human rights. It upholds the right to freedom of association and collective bargaining and emphasises the elimination of excessive working hours.

Spending on Local Suppliers

79%
of all our spending went towards supporting local suppliers

TOMPAK FLEXIBLE PACKAGING SUPPLY CHAIN FLOW



4.1.1. RAW MATERIALS

Within our supply chain, raw materials are fundamental to our sustainability efforts. Tomypak purchases its raw materials from sources available worldwide.

In the production materials category, we prioritise responsible sourcing of polyethylene (PE) and polypropylene (PP) resins, with a focus on minimising consumption and exploring recycling opportunities. Our films, including PET, BOPP, CPP, LLDPE, MPET, MCPP, and Nylon, are sourced exclusively from overseas suppliers due to their predominant availability abroad. We emphasise the use of recycled materials and collaborate closely with international partners to reduce the environmental impact of film production.

Special components such as aluminium foil, ink, solvent, and adhesive adhere to rigorous sustainability standards. Notably, ink and solvent are stored in dedicated storage facilities at our factory, equipped with hazard mitigation features such as grounded tanks to prevent fire hazards. Most of our raw materials, including resins and films, are securely stored in our warehouse, where they are carefully managed to optimise resource usage.

In line with our commitment to promote local economies, we give priority to local suppliers for packing materials. Their proximity allows for shorter lead times, reducing the environmental footprint associated with transportation and supporting our local communities.

4.1.2. MANUFACTURING

Our commitment to sustainability extends into the heart of our operations, encompassing every stage of the manufacturing process. From initial Customer Engagement to Quality Inspection, we integrate sustainability principles and practices to minimise our environmental footprint and enhance the overall efficiency of our production.

- ***Customer Engagement***
  Active engagement and collaboration with our customers to understand their specific needs and preferences. We optimise materials selection and manufacturing processes to align with their sustainability goals.

- ***Sales Order***
  Optimal planning to minimise overproduction and efficient material usage throughout the production cycle.

- ***Production Design***
  Application of innovative design principles that maximize product functionality while minimising material usage. This results in eco-friendly and cost-effective products for our customers.

- ***Printing***
  Utilisation of technologically advanced machinery to optimise ink consumption, waste reduction, and minimise environmental impact.

- ***Extrusion Lamination, Solvent-based Lamination, or Solventless Lamination***
  Adoption of method of lamination namely, Extrusion Lamination, Solvent-based Lamination, or Solventless Lamination, is driven by the unique requirements and preferences of our customers. We select processes and materials to reduce energy consumption, emissions, and waste while ensuring product quality and performance.

- ***Slitting***
  Focus on precision and efficiency of Slitting process thereby contributing to resource conservation.

- ***Bag Making (if required):***
  Application of sustainable practices, where bag making forms part of the production process.

- ****Quality Inspection***
  Quality Inspection occurs at the end of every process in our manufacturing, ensuring that every product meets our high-quality standards. By catching any defects early, we minimise rework and waste.

SUSTAINABILITY REPORT (CONT'D)

4.1.3. LOGISTICS

- ***Packing***
  Packing of finished goods is carried out according to exact customers' specifications.

- ***Quality Inspection***
  Quality Inspection of packed finished goods ensures product excellence and sustainability. By catching defects early, we minimise resource waste and enhance material efficiency.

- ***Delivery Order Preparation***
  Efficiency guides our Delivery Order Preparation. We optimise delivery routes for reduced emissions and resource conservation while accurately preparing orders to avoid incorrect shipments.

- ***Warehousing***
  Packed finished goods are housed in a clean and secured environment, ready for delivery and export.

- ***Delivery***
  The Delivery phase prioritises sustainability through efficient route planning, reducing fuel consumption, and emissions. We collaborate with customers to consolidate orders, when possible, further minimising environmental impact.

4.1.4. SUPPLIER AUDIT

In our ongoing commitment to ensure sustainable and responsible practices throughout our supply chain, we had audited key suppliers, and have further plans to conduct on-site audits on other selected suppliers in the upcoming reporting period. These audits allow us to assess their environmental performance, compliance with our sustainability standards, and their commitment to human rights.

In addition to ESG aspects, specific focus is placed on suppliers' compliance with Good Manufacturing Practices (GMP) as outlined by the Global Food Safety Initiative (GFSI). It encompasses manufacturing practices, quality control, and adherence to food safety standards.

Areas of Assessment: On-Site Supplier Audits

Waste Management

- Review of waste management systems and practices to ensure proper handling, disposal, and recycling of waste materials.
- Evaluation of waste segregation processes, recycling initiatives, and compliance with local environmental regulations.

Energy Efficiency

- Assessment of energy consumption and efficiency measures to identify opportunities for improvement.
- Examination of energy management systems, equipment efficiency, and implementation of energy-saving technologies.

Emissions Control

- Evaluation of monitoring process and mitigation of greenhouse gas emissions and other air pollutants.
- Assessment of emission control systems, usage of cleaner fuels, and adoption of emission reduction strategies.

Water Conservation

- Examination of water usage and conservation practices to ensure responsible water management.
- Assessment of water treatment and recycling systems, water efficiency measures, and compliance with relevant water quality standards.

Environmental Compliance

- Verification of compliance with environmental regulations and standards and validity of permits and licenses for operations.
- Review of environmental monitoring and reporting practices to ensure transparency and accountability.

Human Rights Compliance

- Assessment of adherence to human rights principles as outlined in our Code of Conduct for Suppliers.
- Review of policies and practices related to labour rights, non-discrimination, freedom of association, and other human rights aspects.

4.2. SUSTAINABLE GROWTH STRATEGY

Our long-term strategy for sustainable growth focuses on expanding our market presence, driving product innovation, enhancing resource efficiency, empowering our employees, and collaborating and engaging with stakeholders.

- **Market Expansion and Diversification:** Expand our market presence both domestically and internationally by tapping into new customer segments and exploring emerging markets. Through portfolio diversification and acquisition of new clients, we extend our reach and strengthen our ability to withstand market fluctuations and foster stable growth.

- **Product Innovation and Sustainability:** Drive product innovation that prioritises sustainability and caters to the evolving needs of our customers. By investing in research and development, we strive to create sustainable packaging solutions that minimise environmental impacts, reduce waste, and contribute to a circular economy.

- **Resource Efficiency and Operational Excellence:** Enhance resource efficiency and improve our production processes by investing in energy-efficient technologies and implementing waste reduction initiatives. Our focus on operational excellence to improve cost savings and reduce our environmental footprint.

- **Employee Empowerment and Well-being:** Invest in employees' professional development, ensure a safe and healthy work environment, and foster a culture of inclusivity and diversity to attract and retain top talent while driving productivity and innovation.

Mr Lee Kwee Heng (2nd from left), represented Tomypak as a panelist on the Bursa-sponsored forum-PLC Transformation Programme #digital4ESG Forum - on 10 May 2023.

In the segment covering perspectives from mid- and small-sized companies on digitalisation, Mr Lee shared with the audience the challenges, in terms of complexity and time, of gathering accurate data from different sources within a company.

- **Stakeholder Engagement and Collaboration:** Engage with our stakeholders, including customers, suppliers, employees, investors, and the communities we serve, to gather valuable insights and feedback. This collaborative approach allows us to identify new opportunities for sustainable growth, address challenges, and create shared value for all parties involved.

5. ENVIRONMENTAL

Our commitment to environmental protection and sustainability is guided by our Environmental Policy, which focuses on achieving environmental goals, improving our performance in resource efficiency, waste reduction, energy management, emissions reduction, water management, ecosystem protection, and environmental compliance.

5.1. WASTE MANAGEMENT AND RESOURCE EFFICIENCY

Our waste management strategy includes to reduce, reuse and recycle used materials to minimise waste and enhance resource efficiency.

Key initiatives include:

- Production Process Optimisation: Minimise waste generation and material usage by refining our manufacturing processes and improving overall productivity.
- Proper disposal: Engaging certified waste management companies to ensure proper disposal of recyclable, non-recyclable, and scheduled waste, adhering to environmental standards and regulations.

Scheduled waste collection taking place at our factory, ensuring responsible disposal practices.

Our pursuit of resource efficiency extends waste management to encompass optimisation of production and administrative processes. With plans to adopt digital technologies like e-signatures soon and more usage of cloud-based software, we will reduce dependency on manual tasks and paper-intensive workflows, conserving resources, minimising waste, and boosting overall efficiency.

In FY2023, we transitioned to a digital cloud-based Human Resource Management System (HRMS) for managing employee attendance, leave, and claims, replacing paper-based processes.

To curb paper consumption further, we initiated the "Think Before You Print" campaign, featuring reminder posters near copiers and messages in email signatures.

Furthermore, we have been making progress to implement a Reuse Station for employees, where they can exchange and repurpose various items, including textbooks, toys, games, sports equipment, and musical instruments. This initiative encourages a sustainable mindset as well as benefiting employee welfare.

5.2. ENERGY MANAGEMENT

Our energy management strategy emphasises efficiency, renewable energy investments, and the application of advanced technology to minimise our carbon footprint such as devices within our manufacturing facility to monitor and report emissions.

We have retrofitted our Tampoi production plant with technologically advanced machines specifically designed for flexible packaging manufacturing. The facilities including gravure printing lines and solventless laminating lines are energy efficient.

Our facilities are outfitted with LED lighting, solar perimeter lights, smart HVAC systems to optimise energy consumption while the factory roof is solar panel ready.

5.3. WATER MANAGEMENT

Our commitment to responsible water management involves adopting water-saving practices and incorporating water-efficient technologies.

For production-related usage, our operations require minimal water. Nonetheless, we have invested in a closed-loop water system for machine cooling. Water loss of 222m^3 per year only occurs during maintenance, which is performed quarterly.

For administrative and facility usage, we have placed reminder posters to encourage employees to turn off taps when not in use and report any leaks promptly.

6. SOCIAL

Mr Yong Kwet On, Chairman of the Board, delivered the opening address at the Hari Raya Open House event, where more than 150 employees and suppliers came together to celebrate and enjoy a luncheon.

6.1. LABOUR PRACTICES

Tomypak is committed to fostering an inclusive and diverse work environment that provides equal opportunities for personal and professional growth.

We embrace fair labour practices and strive to offer competitive compensation and benefits packages.

Labour Union

2
union meetings held to discuss labour issues and provide updates to members

We comply with the local labour laws as well as the Ethical Trading Initiative (ETI) Base Code.

6.1. LABOUR PRACTICES (CONT'D)

Our approach to labour practices includes:

- Competitive wages and a range of benefits for our employees, ensuring their well-being and satisfaction.
- Equal opportunities and a work culture that values and respects differences and encourages employees to reach their full potential.
- Safeguarding labour rights, including the freedom of association and collective bargaining, providing avenues for our employees to have a voice in the workplace.
- Adhering to the ETI Base Code principles, which encompass safe and hygienic working conditions, the prohibition of child and forced labour, and reasonable working hours, among other important standards.

Training

212
employees underwent training

Foreign workers dormitory equipped with bunk beds complete with pillows and mattresses, along with 2-door wardrobe for storage.

6.2. HEALTH AND SAFETY

We are dedicated to employee health and safety, as evidenced by our Health and Safety Policy, and ongoing training initiatives. Although we regret to have experienced five injury incidents during the current reporting period, our commitment to enhancing safety measures and protocols remains steadfast. We are learning from these incidents to further improve our safety performance.

Lost Time Incident Rate (LTIR)

8.8
Instances where injuries have occured that resulted in workers taking time off from work per million hours worked

Health & Safety Training

212
employees trained on health and safety standards

Work-related fatalities/ill-health

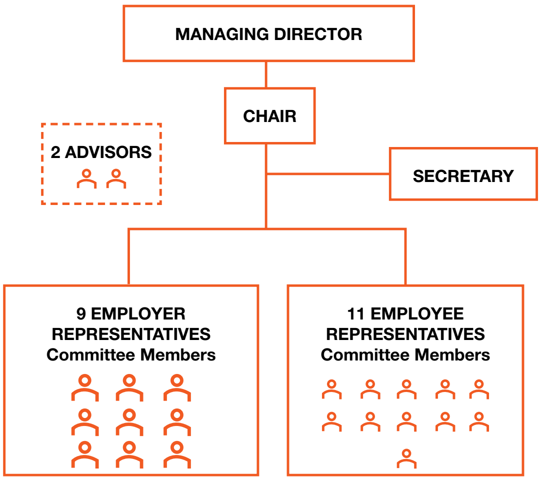
0
wotk-related fatalities/ill-health cases

Injuries

5
cases of recordable injuries

6.2. HEALTH AND SAFETY (CONT'D)

OCCUPATIONAL SAFETY, HEALTH AND ENVIRONMENT (OSHE) COMMITTEE



FUNCTIONS

- Assist in developing safety rules and standard operating procedures
- Conduct Health and Safety meetings
- Investigate accidents and propose work safety improvements
- Study accident and incident trends
- Report accidents to Department of Safety and Health
- Review effectiveness of Safety and Health programs
- Conduct routine safety inspections

ROLES	KEY RESPONSIBILITIES
Managing Director	• Ensure OSHE Committee functions in accordance with legal and related requirements • Accountable for all safety and health matters within the organisation
Chair	• Oversee functions of the OSHE Committee
Advisor	• Provide related occupational safety and health related advice to balance Tomypak's wellbeing and compliance obligations
Secretary	• Act as chief executor of Tomypak's safety and health matters • Ensure compliance with related regulations
Committee Members	• Carry out all occupational safety and health related instructions • Uphold Tomypak's occupational safety and health aspirations • Participate actively in conducting risk and opportunity assessment

In order to prioritise the health and safety of our employees, we have implemented an occupational health and safety management system which is aligned with ISO 45001 requirements.

Our key initiatives include:

- Conducting regular risk assessments and safety audits to identify and address potential hazards.
- Conducting training for all employees, ensuring they are well-equipped to handle various workplace situations.
- Developing and establishing emergency response plans and procedures to prepare for and effectively manage unforeseen events.


Gathering for a pre-shift safety briefing and essential communication


A simulated night fire drill at our factory, ensuring safety even in the darkest hours.

6.3. HUMAN RIGHTS

Tomypak holds human rights in high regard and complies with international standards, including the United Nations Guiding Principles on Business and Human Rights. Our Code of Conduct for Suppliers also outlines our expectations for our supply chain partners to adhere to the same standards.

There were no human rights violations reported during this period.

Human Rights

0

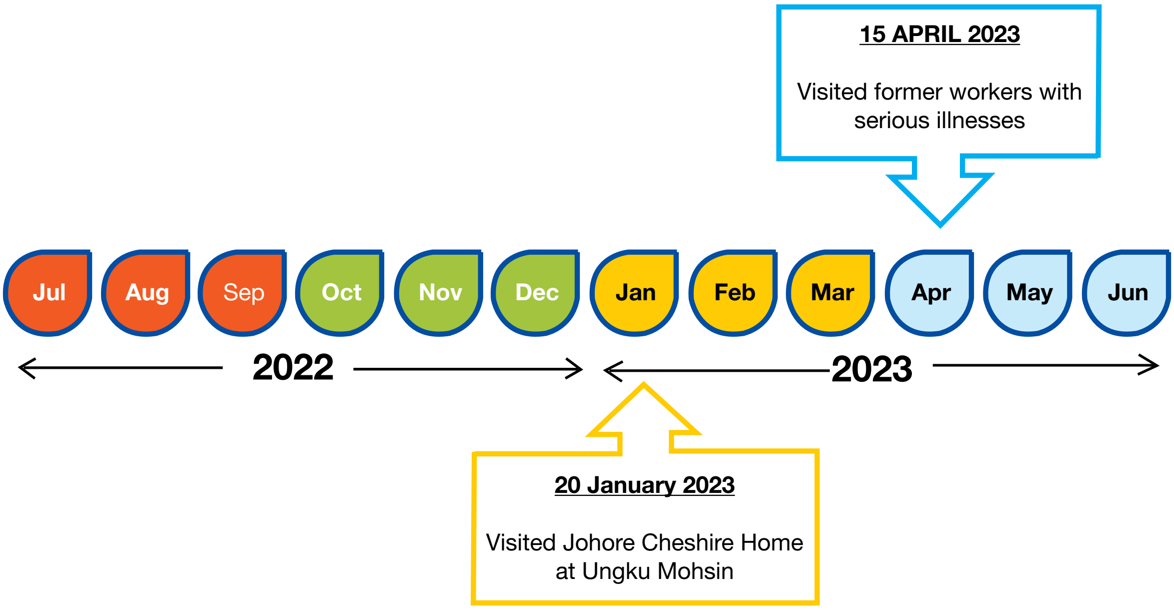
cases of human rights violations

6.4. COMMUNITY INVESTMENT

We are committed to contributing to local communities and have planned activities like feeding the homeless and planting trees. We have also visited former employees who could no longer work due to serious illnesses to provide support and show concern for their well-being.

We visited former employees with serious illnesses, expressing our care.

CORPORATE SOCIAL RESPONSIBILITY CALENDAR



7. SCHEDULES

Data presented in the following Schedules are reported as:

Reporting Period	Dates Covered	Coverage
• FY 2020	• 1 January 2020 to 31 December 2020 (12 months)	• Senai and Tampoi factories
• FP 2022	• 1 January 2021 to 30 June 2022 (18 months)	• Senai, Tampoi factories and sub-contractors*
• FY 2023	• 1 July 2022 to 30 June 2023 (12 months)	• Tampoi factory and sub-contractors*

* *In line with Tomypak's business continuity plan after the Senai fire incident, certain sub-contractors were engaged to manufacture on our behalf. Therefore, data relating to the sub-contractors has been incorporated in the reporting where applicable.*

7.1. PRODUCTION WASTE GENERATED

	FY 2020	FP 2022	FY 2023
Non-Recycled Waste (MT)*	2,261.39	2,331.05	434.18
MT per RM100,000	1.5	1.53	0.88
Recycled Waste (MT)	719.51	709.97	335.15
MT per RM100,00	0.48	0.47	0.68
Percentage of Waste Recycled	24%	23%	44%
Scheduled Waste SW 322 (MT)**	158.48	243.54	29.98
MT per RM100,000	0.11	0.16	0.06
Scheduled Waste SW 409* (MT)**	17.30	36.83	5.35
MT per RM100,000	0.01	0.02	0.01
Revenue (RM)	150,929,203	152,574,414	49,169,848

* *MT denotes metric tonnes.*
** *SW 322 refers to waste on non-halogenated organic solvent (waste solvent).*
*** *SW 409 refers to disposed containers, bag or equipment contaminated with chemicals, pesticide, mineral oil or scheduled wastes (contaminated containers).*

SUSTAINABILITY REPORT
(CONT'D)

7.2. ELECTRICITY USAGE

	FY 2020	FP 2022	FY 2023
Energy Usage (kWh)	14,947,369	17,876,017	3,958,111
Revenue (RM)	150,929,203	152,574,414	49,169,848
Emissions Factor (EF)* tCO2e/MWh	0.57	0.55	0.55
Total tCO2e	**8,520.00**	**9,831.81**	**2,176.96**
tCO2e per RM 100,000	5.65	6.44	4.43

* *Tenaga Nasional. Sustainability Report 2021, Tenaga Nasional Berhad, 2021, p.96.*

7.3. NATURAL GAS USAGE

	FY 2020	FP 2022	FY 2023
Natural Gas (m^3)	41,175	63,014	14,828
Revenue (RM)	150,929,203	152,574,414	49,169,848
Natural Gas (m^3) per RM 100,000	27.28	41.30	30.16

7.4. WATER USAGE

	FY 2020	FP 2022	FY 2023
Water Usage (m^3)	39,559	80,382	15,752
Revenue (RM)	150,929,203	152,574,414	49,169,848
Water Usage (m^3) per RM 100,000	26.21	52.68	32.04

7.5. WORKFORCE DATA

	Key Management		Middle Management		Executive		Non-Executive		Total	
Male	4	100%	12	75%	8	40%	130	76%	154	73%
Female	0	0%	4	25%	12	60%	42	24%	58	27%
Total	4	100%	16	100%	20	100%	172	100%	212	100%
< 30 Years Old	0	0%	0	0%	5	25%	58	34%	63	30%
30-50 Years Old	0	0%	7	44%	12	60%	83	48%	102	48%
> 50 Years Old	4	100%	9	56%	3	15%	31	18%	47	22%
Total	**4**	**100%**	**16**	**100%**	**20**	**100%**	**172**	**100%**	**212**	**100%**
Training Hours	68		416		456		1,433		2,373	
Employee Turnover	2		4		12		30		48	

	Employees	
Local	150	71%
Foreign / Expatriates	62	29%
Total	**212**	**100%**
Permanent	137	65%
Contract	75	35%
Total	**212**	**100%**
Key Management	4	2%
Middle Management	16	8%
Executive	20	9%
Non-Executive	172	81%
Total	**212**	**100%**

SUSTAINABILITY TOPICS AS REQUIRED BY BURSA MALAYSIA

NO.	TOPIC	ITEM	DESCRIPTION	RESPONSE FY2023
1	Anti-corruption	(a)	Percentage of employees who have received training on anti-corruption by employee category	100%
		(b)	Percentage of operations assessed for corruption-related risks	6%
		(c)	Number of confirmed incidents of corruption and action taken	0 Incidents
2	Community /Society	(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM2,700
		(b)	Total number of beneficiaries of the investment in communities	0
3	Diversity	(a)	Percentage of current employees by gender and age group, for each employee category	Please see Schedule 7.5. Workforce Data
		(b)	Percentage of directors by gender and age group as at the end of FY2023	80% Male 20% Female 80% | 60 years old and below 20% | more than 60 years old
		(c)	The number of independent board directors as a percentage of all directors.	3 independent directors 2 non-independent directors
		(d)	The number of female senior management as a percentage of senior management.	0
4	Energy Management	(a)	Total energy consumption Gigajoules ("GJ")	14,249 GJ (3,958,111 kWh)

NO.	TOPIC	ITEM	DESCRIPTION	RESPONSE FY2023
5	Health and safety	(a)	Lost time incident rate ("LTIR")	8.8
		(b)	Total number of employees trained on health and safety standards	212
		(c)	Number of work-related fatalities, high-consequence injuries, recordable injuries, recordable work-related ill health cases	0 fatalities 5 injuries 0 ill health cases
6	Labour practices and standards	(a)	Total hours of training by employee category	Please see Schedule 7.5. Workforce Data
		(b)	Percentage of employees that are contractors or temporary staff	35%
		(c)	Total number of employee turnover by employee category	Please see Schedule 7.5. Workforce Data
		(d)	Number of substantiated complaints concerning human rights violations	0 cases
7	Supply chain management	(a)	Proportion of spending on local suppliers	79%
8	Data privacy and security	(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0 Cases
9	Water	(a)	Total volume of water used	15,752 m^3
10	Waste management	(a)	Total waste diverted (i) from disposal (ii) to disposal	From disposal: 335.15 metric tonnes To disposal: 434.18 metric tonnes

STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

In accordance with the requirements in Paragraph 15.26 (a) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Board of Directors are required to issue a statement explaining their responsibility for preparing the annual audited financial statements.

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

In ensuring the preparation of these financial statements, the Directors have:

- Selected and applied the appropriate and relevant accounting policies on a consistent basis;
- Made judgments and accounting estimates that are reasonable and prudent in the circumstances; and
- Prepared the annual audited financial statements on a going concern basis.

The Directors are accountable to keep all the accounting and other statutory records for a requisite statutory period of time. The Directors have also a general responsibility to safeguard the assets of the Group and establishment of system of internal control for the prevention and detection of fraud and other irregularities which is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

FIVE-YEAR FINANCIAL HIGHLIGHTS AND FINANCIAL INDICATORS

Period/Year Ended 31 December/30 June [1]	2018	2019	2020	2022	2023
Results (RM'000)					
Revenue	168,382	158,061	154,285	167,157	**57,853**
Profit/(Loss) from operations [2]	(8,918)	(8,246)	1,434	(93,185)	**87,190**
Profit/(Loss) before tax	(11,650)	(11,597)	(480)	(95,152)	**84,941**
Net Profit/(Loss) for the financial period/year	(1,870)	(11,609)	(540)	(99,860)	**84,842**
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	8,134	9,933	18,888	(74,571)	**93,607**
Statement of financial position (RM'000)					
Shareholders' equity	192,352	181,313	187,136	87,774	**168,295**
Total loan and borrowings	78,206	73,556	53,602	62,613	**23,621**
Total assets	293,419	275,870	263,298	184,245	**217,284**
Ratio					
Earnings/(Loss) per share (sen) [3]	(0.44)	(2.77)	(0.15)	(23.21)	**19.68**
Interest cover (times) [4]	(3.26)	(2.46)	0.75	(47.37)	**38.77**
Return on equity [5]	(0.97%)	(6.40%)	(0.29%)	(113.77%)	**50.41%**
Return on total assets [6]	(3.04%)	(2.99%)	0.54%	(50.58%)	**40.13%**
Gearing [7]	0.41	0.41	0.29	0.71	**0.14**
Net assets per share (RM)	0.46	0.43	0.44	0.20	**0.39**

(1) The presentation of the 18-month financial period ended 30 June 2022 ("2022") follows a change in the Group's financial year end announced on 18 April 2022. The current financial year presented have a financial year end of 30 June, whilst the previous financial years presented (FY2018-FY2020) have a financial year end of 31 December

(2) Earnings before interest and tax

(3) Net Profit/(Loss) for the financial year/period over total number of shares as at 31 December/30 June

(4) Profit/(Loss) from operations over net finance costs

(5) Net Profit/(Loss) for the financial year/period over Shareholders' Equity

(6) Profit/(Loss) from operations over Total Assets

(7) Total borrowings over Shareholders' Equity

(8) Shareholders' Equity over total number of shares as at year/period end

FINANCIAL STATEMENTS

THE REPORTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	84,832	3,069
Non-controlling interests	10	–
	84,842	3,069

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review.

DIVIDENDS

Since the end of the previous financial period, the amount of dividends paid by the Company were as follows:

i) In respect of the financial year ended 30 June 2023:

- a dividend of 1.0 sen per ordinary share totalling RM4,311,167 declared on 1 June 2023 and paid on 30 June 2023.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

DIRECTORS

Directors who served the Company during the financial year until the date of this report are:

Mr. Yong Kwet On	
To' Puan Rozana binti Tan Sri Redzuan	
En. Azmi bin Arshad	
Mr. Lee Kwee Heng**	(appointed on 1 February 2023)
Mr. Lim Bee Leong	(appointed on 1 February 2023)
Mr. Low Chiun Yik	(appointed on 17 October 2023)
Datuk Kamal bin Khalid	(resigned on 31 December 2022)
Mr. Tan See Yin**	(resigned on 2 May 2023)

** These Directors are also Directors of the Company's subsidiaries.

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are:

Mr. Charles Goh Sim Yew	
Mr. Foo Jee Teng	
Mr. Tok Fu Soon	(resigned on 10 January 2023)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiary) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

		Number of ordinary shares			
Name of Directors	**Interest**	**At 1 July 2022/ date of appointment '000**	**Bought '000**	**Sold '000**	**At 30 June 2023 '000**
Company					
Mr. Yong Kwet On	Direct	1,117	–	–	1,117
	Deemed	99,635	–	–	99,635
Mr. Lee Kwee Heng	Direct	445	–	–	445
To' Puan Rozana binti Tan Sri Redzuan	Direct	340	–	–	340
En. Azmi bin Arshad	Direct	100	–	–	100
Mr. Lim Bee Leong	Direct	–	20	–	20

DIRECTORS' BENEFITS

Since the end of the previous financial period, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 30 June 2023 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	313	–
Remunerations/Allowances	38	976
Contributions to state plans	–	104
	351	1,080

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

ISSUE OF SHARES

There were no changes in the issued and paid-up share capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of premium paid for insurance effected for Directors and officers of the Company is RM7,000.

QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

The auditors' report on the audited financial statements of Company's subsidiaries did not contain any qualification or any adverse comments.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision has been made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, other than the recognition of the remaining insurance compensation of RM120 million due to the fire that occurred in prior period, the financial performance of the Group and of the Company for the financial year ended 30 June 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The details of remuneration paid by the Group and the Company to auditors of the Group and the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
Statutory audit		
- KPMG PLT	175	50
- Other auditors	17	–
Non audit fees		
- KPMG PLT	58	8
- Local affiliates of KPMG PLT	41	9
	291	67

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....

Yong Kwet On
Director

....

Lee Kwee Heng
Director

Date: 31 October 2023

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assets					
Property, plant and equipment	3	90,685	33,545	–	–
Right-of-use assets	4	4,830	2,809	–	–
Investment properties	5	279	284	–	–
Investment in subsidiaries	6	–	–	138,527	139,289
Goodwill on consolidation	7	–	1,025	–	–
Total non-current assets		95,794	37,663	138,527	139,289
Inventories	8	17,849	16,573	–	–
Trade and other receivables	9	35,776	89,327	4,151	4,800
Current tax assets		249	143	64	34
Deposits, bank and cash balances	10	49,318	40,539	97	97
		103,192	146,582	4,312	4,931
Assets classified as held for sale	11	18,298	–	–	–
Total current assets		121,490	146,582	4,312	4,931
Total assets		217,284	184,245	142,839	144,220
Equity					
Share capital	12	133,627	133,627	133,627	133,627
Reserves	12	34,668	(45,853)	8,755	9,997
Equity attributable to owners of the Company		168,295	87,774	142,382	143,624
Non-controlling interests	6	792	782	–	–
Total equity		169,087	88,556	142,382	143,624

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION (CONT'D)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Liabilities					
Loans and borrowings	13	7,720	7,671	–	–
Lease liabilities		1,784	–	–	–
Employee benefits	14	526	580	–	–
Total non-current liabilities		10,030	8,251	–	–
Trade and other payables	15	21,858	32,329	457	596
Lease liabilities		402	–	–	–
Loans and borrowings	13	15,901	54,942	–	–
Current tax liabilities		6	167	–	–
Total current liabilities		38,167	87,438	457	596
Total liabilities		48,197	95,689	457	596
Total equity and liabilities		217,284	184,245	142,839	144,220

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Note	Group 1.7.2022 to 30.6.2023 RM'000	Group 1.1.2021 to 30.6.2022 RM'000	Company 1.7.2022 to 30.6.2023 RM'000	Company 1.1.2021 to 30.6.2022 RM'000
Revenue	16	57,853	167,157	4,350	–
Other cost of sales		(73,275)	(176,955)	–	–
Loss of inventories destroyed in fire		–	(53,551)	–	–
Cost of sales		(73,275)	(230,506)	–	–
Gross (loss)/profit		(15,422)	(63,349)	4,350	–
Other income		130,333	1,381	–	–
Distribution expenses		(3,222)	(5,706)	–	–
Administrative expenses		(10,731)	(9,589)	(609)	(814)
Other expenses		(13,768)	(15,922)	(762)	–
Results from operating activities		87,190	(93,185)	2,979	(814)
Finance income		307	108	90	136
Finance costs	17	(2,556)	(2,075)	–	–
Net finance (costs)/income		(2,249)	(1,967)	90	136
Profit/(Loss) before tax		84,941	(95,152)	3,069	(678)
Tax expense	18	(99)	(4,708)	–	–
Profit/(Loss) for the year/period and total comprehensive income/(expense) for the year/period	19	84,842	(99,860)	3,069	(678)
Profit/(Loss) attributable to:					
Owners of the Company		84,832	(100,033)	3,069	(678)
Non-controlling interests		10	173	–	–
Profit/(Loss) for the year/period and total comprehensive income/(expense) for the year/period		84,842	(99,860)	3,069	(678)
Basic earnings/(loss) per ordinary share (sen)	20	19.68	(23.21)		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

		Attributable to owners of the Company							
		Non-distributable				Distributable			
	Note	Share capital RM'000	Share option reserve RM'000	Merger reserve RM'000	Warrant reserve RM'000	Retained earnings/ Non-distributable (Accumulated losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group									
At 1 January 2021		116,353	814	2,991	16,967	50,011	187,136	609	187,745
(Loss)/Profit and total comprehensive (expense)/ income for the period		–	–	–	–	(100,033)	(100,033)	173	(99,860)
Contributions by and distributions to owners of the Company									
Equity settled share-based transaction	12								
- Share option granted		–	391	–	–	–	391	–	391
- Share issued pursuant to ESOS		280	–	–	–	–	280	–	280
- Share option exercised		27	(27)	–	–	–	–	–	–
Total transactions with owners of the Company		307	364	–	–	–	671	–	671
Share option forfeited		–	(62)	–	–	62	–	–	–
Share option lapsed		–	(1,116)	–	–	1,116	–	–	–
Warrants lapsed		16,967	–	–	(16,967)	–	–	–	–
At 30 June 2022		133,627	–	2,991	–	(48,844)	87,774	782	88,556

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

		Attributable to owners of the Company					
		Non-distributable		Non-distributable (Accumulated losses)/ Distributable			
	Note	Share capital RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group							
At 1 July 2022		133,627	2,991	(48,844)	87,774	782	88,556
Profit and total comprehensive income for the year		–	–	84,832	84,832	10	84,842
Contributions by and distributions to owners of the Company							
Dividends paid to owners of the Company/ **Total transactions with owners of the Company**	21	–	–	(4,311)	(4,311)	–	(4,311)
At 30 June 2023		133,627	2,991	31,677	168,295	792	169,087

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Attributable to owners of the Company — Non-distributable Share capital RM'000	Non-distributable Share option reserve RM'000	Non-distributable Warrant reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Company						
At 1 January 2021		116,353	814	16,967	9,497	143,631
Loss and total comprehensive expense for the period		–	–	–	(678)	(678)
Contributions by and distributions to owners of the Company						
Equity settled share-based transaction	12					
- Share option granted		–	391	–	–	391
- Share issued pursuant to ESOS		280	–	–	–	280
- Share option exercised		27	(27)	–	–	–
Total transactions with owners of the Company		307	364	–	–	671
Share option forfeited		–	(62)	–	62	–
Share option lapsed		–	(1,116)	–	1,116	–
Warrants lapsed		16,967	–	(16,967)	–	–
At 30 June 2022		133,627	–	–	9,997	143,624

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY (CONT'D)

	Note	Attributable to owners of the Company Non-distributable Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Company				
At 1 July 2022		133,627	9,997	143,624
Profit and total comprehensive income for the year		–	3,069	3,069
Contributions by and distributions to owners of the Company				
Dividends paid to owners of the Company/ **Total transactions with owners of the Company**	21	–	(4,311)	(4,311)
At 30 June 2023		133,627	8,755	142,382

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	Group 1.7.2022 to 30.6.2023 RM'000	Group 1.1.2021 to 30.6.2022 RM'000	Company 1.7.2022 to 30.6.2023 RM'000	Company 1.1.2021 to 30.6.2022 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		84,941	(95,152)	3,069	(678)
Adjustments for:					
Depreciation of:					
- Property, plant and equipment		6,237	18,254	–	–
- Investment properties		5	6	–	–
- Right-of-use assets		175	354	–	–
Earnest deposit forfeited		1,469	–	–	–
Prepayment written off		6,171	–	–	–
Equity settled share-based transactions		–	391	–	–
Finance costs	17	2,556	2,075	–	–
Finance income		(307)	(108)	(90)	(136)
Inventories:					
- Loss of inventories destroyed in fire	8	–	53,551	–	–
- Written down to net realisable value	8	39	–	–	–
- Written down/(Reversal of written down) of slow moving inventories	8	464	(27)	–	–
Property, plant and equipment:					
- Written off due to fire		–	126,568	–	–
- Written off due to obsolescence		–	10	–	–
- Gain on disposal		(98)	(3)	–	–
Impairment loss on investment properties		–	85	–	–
Impairment loss on goodwill		1,025	–	–	–
Impairment loss on investment in a subsidiary		–	–	762	–
(Reversal of impairment loss)/ Impairment loss on trade receivables		(261)	561	–	–
Insurance claim		(120,000)	(115,000)	–	–
Gain on derecognition of right-of-use assets		–	(5)	–	–
Unrealised (gain)/loss on foreign exchange		(1,461)	3,530	–	–

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

		Group		Company	
	Note	1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000	1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000
Operating (loss)/profit before changes in working capital		(19,045)	(4,910)	3,741	(814)
Change in employee benefits		(31)	32	–	–
Change in inventories		(1,779)	(49,643)	–	–
Change in trade and other receivables		(5,756)	15,723	649	(899)
Change in trade and other payables		(14,398)	10,060	(139)	133
Change in contract assets		–	8,829	–	–
Cash (used in)/generated from operations		(41,009)	(19,909)	4,251	(1,580)
Tax paid		(366)	(242)	(30)	(31)
Employee benefits paid		(23)	–	–	–
Other finance costs paid		(44)	(156)	–	–
Net cash (used in)/from operating activities		(41,442)	(20,307)	4,221	(1,611)
Cash flows from investing activities					
Acquisition of property, plant and equipment	3.3	(47,741)	(29,325)	–	–
Proceeds from disposal of property, plant and equipment		98	70	–	–
Proceeds from insurance claim		160,000	75,000	–	–
Earnest deposit forfeited		(1,469)	–	–	–
Prepayment written off		(6,171)	–	–	–
Interest received		307	108	90	136
Net cash from investing activities		105,024	45,853	90	136
Cash flows from financing activities					
Changes in restricted cash		(5,640)	–	–	–
Drawndown of term loans		–	104	–	–
Repayment of term loans		(6,777)	(4,458)	–	–
Net short-term borrowings		(40,223)	10,908	–	–
Proceeds from exercise of share option		–	280	–	280
Repayment of hire purchase liabilities		(943)	–	–	–
Repayment of lease liabilities		(37)	(166)	–	–
Dividends paid to owners of the Company		(4,311)	–	(4,311)	–
Interest paid		(2,512)	(1,919)	–	–
Net cash (used in)/from financing activities		(60,443)	4,749	(4,311)	280

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

	Note	Group		Company	
		1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000	1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000
Net increase/(decrease) in cash and cash equivalents		3,139	30,295	–	(1,195)
Cash and cash equivalents at 1 July/1 January		40,539	10,244	97	1,292
Cash and cash equivalents at 30 June	10	43,678	40,539	97	97

Cash outflows for leases as a lessee

	Note	Group	
		1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000
Included in net cash from operating activities			
Payment relating to short-term leases	19	399	132
Payment relating to leases of low-value assets	19	2	54
Included in net cash from financing activities			
Payment of lease liabilities		37	166
Interest paid in relation to lease liabilities	17	14	9
Total cash outflows for leases		452	361

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1 July 2022 RM'000	Acquisition of new leases RM'000	Acquisition of new hire purchase liabilities (Note 3.3) RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 30 June 2023 RM'000
Bankers' acceptances	8,318	–	–	(6,585)	97	1,830
Term loans	7,762	–	–	(6,777)	(410)	575
Trust receipts	33,320	–	–	(31,768)	(1,552)	–
Revolving credit	13,213	–	–	(1,870)	816	12,159
Lease liabilities	–	2,223	–	(37)	–	2,186
Hire purchases liabilities	–	–	10,000	(943)	–	9,057
Total liabilities from financing activities	62,613	2,223	10,000	(47,980)	(1,049)	25,807

Group	At 1 January 2021 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	Derecognition of leases RM'000	At 30 June 2022 RM'000
Bankers' acceptances	6,430	1,888	–	–	8,318
Term loans	11,705	(4,354)	411	–	7,762
Trust receipts	20,031	11,738	1,551	–	33,320
Revolving credit	15,436	(2,718)	495	–	13,213
Lease liabilities	262	(166)	–	(96)	–
Total liabilities from financing activities	53,864	6,388	2,457	(96)	62,613

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Tomypak Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
No.11, Jalan Tahana
Kawasan Perindustrian Tampoi
80350 Johor Bahru
Johor Darul Takzim Malaysia

Registered office
Suite 9D, Level 9
Menara Ansar
65, Jalan Trus
80000 Johor Bahru Johor
Darul Takzim Malaysia

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 30 June 2023 do not include other entities.

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 6.

These financial statements were authorised for issue by the Board of Directors on 31 October 2023.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments in the respective financial year when the above accounting standards, interpretations and amendments become effective, if applicable.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current year and prior period financial statements of the Group and the Company upon their first adoption.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 7 - goodwill on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non- controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non- controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(v) Non-controlling interests

Non-controlling interests at the end of the reporting year, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting year are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

The categories of financial assets at initial recognition are as follows:

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

(b) Fair value through other comprehensive income (Cont'd)

(i) Debt investments (Cont'd)

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(k)(i)).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (Cont'd)

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company, and
(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers.*

Liabilities arising from financial guarantees are presented together with other provisions.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (Cont'd)

(v) Derecognition (Cont'd)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Freehold land is not depreciated.

The estimated useful lives for the current year and comparative periods are as follows:

Buildings	40 years
Plant and machinery	2 - 20 years
Office equipment, furniture and fittings	4 - 10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting year and adjusted as appropriate.

(e) Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (Cont'd)

As a lessee

(i) Recognition and initial measurement

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the year in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Subsequent measurement

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment property

Investment property carried at cost

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land and leasehold land which in substance is a finance lease held for currently undetermined future use.

The Group shall transfer a property to, or from, investment property when, and only when, there is a change in use. Transfer between investment property, property, plant and equipment and inventories do not change the carrying amount of the property transferred.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment loss, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note (d).

Depreciation is recognised in profit or loss on a straight-line basis over their estimated useful lives.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

(g) Intangible assets

Goodwill

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses.

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the first-in first-out method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Non-current asset held for sale

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's and the Company's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs of disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Non-current asset held for sale (Cont'd)

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, contract assets, contract costs, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's and the Company's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment (Cont'd)

(i) Financial assets (Cont'd)

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories, assets arising from employee benefits and non-current assets (or disposal group) classified as held for sale) are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash- generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash- generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment (Cont'd)

(ii) Other assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(o) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current year and prior periods. The benefit is calculated based on 25% of the last drawn salary for each completed year of service up to balance sheet date and no qualified actuary has been appointed by the Group in the measurement of the defined benefit obligations since the amount is not expected to have a material impact to the financial statements.

(q) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise warrants and share options granted to employees.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1	:	quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2	:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	:	unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. PROPERTY, PLANT AND EQUIPMENT

	Note	Land and buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Construction -in -progress RM'000	Total RM'000
Group							
At cost							
At 1 January 2021		67,468	279,241	19,203	1,741	886	368,539
Additions		286	3,881	351	–	167	4,685
Disposals		(2)	(3,851)	(188)	(150)	–	(4,191)
Written off	3.2	(39,029)	(218,469)	(9,797)	(1,300)	–	(268,595)
Transfer		886	–	–	–	(886)	–
At 30 June 2022/1 July 2022		29,609	60,802	9,569	291	167	100,438
Additions		2,757	63,264	6,571	75	8,981	81,648
Disposals		–	(1,245)	(95)	–	–	(1,340)
Transfer from right-of-use assets		–	–	–	27	–	27
Transfer to assets held for sale	11	(18,622)	–	–	–	–	(18,622)
Transfer		167	–	–	–	(167)	–
At 30 June 2023		13,911	122,821	16,045	393	8,981	162,151

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Note	Land and buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Construction -in -progress RM'000	Total RM'000
Group (Cont'd)							
Accumulated depreciation							
At 1 January 2021		10,511	167,505	15,350	1,414	–	194,780
Depreciation charge		1,822	14,671	1,538	223	–	18,254
Disposals		–	(3,791)	(183)	(150)	–	(4,124)
Written off	3.2	(5,291)	(128,005)	(7,525)	(1,196)	–	(142,017)
At 30 June 2022/1 July 2022		7,042	50,380	9,180	291	–	66,893
Depreciation charge		515	5,230	471	21	–	6,237
Disposals		–	(1,245)	(95)	–	–	(1,340)
Transfer to assets held for sale	11	(324)	–	–	–	–	(324)
At 30 June 2023		7,233	54,365	9,556	312	–	71,466
Carrying amounts							
At 1 January 2021		56,957	111,736	3,853	327	886	173,759
At 30 June 2022/1 July 2022		22,567	10,422	389	–	167	33,545
At 30 June 2023		6,678	68,456	6,489	81	8,981	90,685

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Group 2023 RM'000	2022 RM'000
Carrying amounts of land and buildings		
At cost		
Land	395	16,743
Buildings	6,283	5,824
	6,678	22,567

3.1 Security

Certain property, plant and equipment of the Group with net book value of RM1,198,061 (2022: RM972,129) are charged to banks for banking facilities granted to the Group.

3.2 Write-off of property, plant and equipment destroyed in fire

Included in property, plant and equipment written off in prior period was an amount of RM126,567,679 written off as a result of the fire incident on 19 December 2021.

3.3 Cash payments for acquisition of property, plant and equipment

	Group 2023 RM'000	2022 RM'000
Purchase of property, plant and equipment	81,648	4,685
Less: Financed by hire purchase liabilities	(10,000)	–
Add/(Less):		
Balance in respect of acquisition of property, plant and equipment included in other payables		
- at the end of the year/period	(4,372)	(445)
- at the beginning of the year/period	445	–
Add/(Less):		
Balance in respect of acquisition of property, plant and equipment included in other receivables		
- at the end of the year/period	5,105	25,085
- at the beginning of the year/period	(25,085)	–
Cash payments on purchase of property, plant and equipment	47,741	29,325

3.4 Hire purchase liabilities

The carrying value ofproperty, plant and equipment under hire purchase arrangements amount to RM10,488,292 (Note 13).

4. RIGHT-OF-USE ASSETS

Group	Land RM'000	Buildings RM'000	Motor vehicles RM'000	Total RM'000
At 1 January 2021	1,565	1,414	275	3,254
Depreciation	(168)	(29)	(157)	(354)
Derecognition	–	–	(91)	(91)
At 30 June 2022/1 July 2022	1,397	1,385	27	2,809
Additions	–	2,223	–	2,223
Depreciation	(113)	(62)	–	(175)
Transfer to property, plant and equipment	–	–	(27)	(27)
At 30 June 2023	1,284	3,546	–	4,830

In prior period, derecognition of the right-of-use assets that were destroyed in the fire.

The Group leases a piece of land for 40 years, 3 shop lots, a warehouse and a worker hostel for period ranging between 3 years to 77 years.

The Group applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5. INVESTMENT PROPERTIES

	Group RM'000
At cost	
At 1 January 2021/30 June 2022	378
At 1 July 2022/30 June 2023	378
Accumulated depreciation	
At 1 January 2021	3
Depreciation charge	6
At 30 June 2022/1 July 2022	9
Depreciation charge	5
At 30 June 2023	14
Accumulated impairment loss	
At 1 January 2021	–
Impairment loss	85
At 30 June 2022	85
At 1 July 2022/30 June 2023	85

5. INVESTMENT PROPERTIES (CONT'D)

	Group RM'000
Carrying amounts	
At 1 January 2021	375
At 30 June 2022/1 July 2022	284
At 30 June 2023	279
Fair value	
At 1 January 2021	381
At 30 June 2022/1 July 2022	285
At 30 June 2023	285

Investment properties comprise a vacant leasehold building.

Fair value information

Fair value of investment properties is categories as follows:

	Level 3	
	2023 RM'000	2022 RM'000
Group		
Leasehold building	285	285

Level 3 fair value

The fair value is based of the Directors' best estimate. The following table shows the valuation techniques used in determination of fair values within Level 3, as well as the significant unobservable inputs in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Comparison method: Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size.	Price per square foot of comparable properties (2023: RM388 - RM583; 2022: RM442 - RM615).	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

6. INVESTMENT IN SUBSIDIARIES

	Company 2023 RM'000	Company 2022 RM'000
Cost of investment	139,289	139,289
Less: Impairment loss	(762)	–
	138,527	139,289

In the current year, the Company recognised impairment loss of RM762,000 for a subsidiary. The Company has determined the recoverable amounts of the investment in a subsidiary based on the fair value less cost of disposal of the subsidiary. The fair value is determined based on the adjusted net assets.

Details of the subsidiaries are as follows:

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2023 %	Effective ownership interest and voting interest 2022 %
Tomypak Flexible Packaging Sdn. Bhd.	Manufacture and sale of packaging materials, polyethylene, polypropylene films and sheets	Malaysia	100	100
SP Plastic & Packaging Sdn. Bhd.#	Wholesale of plastic materials in primary forms	Malaysia	51	51

Not audited by KPMG PLT.

6.1 Non-controlling interests in a subsidiary

The Group's subsidiary that has material non-controlling interests ("NCI") is as follows:

	2023	2022
SP Plastic & Packaging Sdn. Bhd.		
NCI percentage of ownership interest and voting interest	49%	49%
	RM'000	**RM'000**
Carrying amount of NCI	792	782
Profit allocated to NCI	10	173

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.1 Non-controlling interests in a subsidiary (Cont'd)

The Group's subsidiary that has material non-controlling interests ("NCI") is as follows: (Cont'd)

	2023 RM'000	2022 RM'000
Summarised financial information before intra-group elimination		
As at 30 June		
Non-current assets	1,652	1,628
Current assets	1,364	1,948
Non-current liabilities	(483)	(574)
Current liabilities	(917)	(1,406)
Net assets	1,616	1,596
Year ended 30 June		
Revenue	6,396	11,097
Profit for the year/period	20	353
Cash flows from operating activities	173	394
Cash flows used in investing activities	(98)	(452)
Cash flows used in financing activities	(114)	(88)
Net decrease in cash and cash equivalents	(39)	(146)

7. GOODWILL ON CONSOLIDATION

Group	Goodwill RM'000
At cost	
At 1 January 2021/30 June 2022	1,025
At 1 July 2022/30 June 2023	1,025
Accumulated impairment loss	
At 1 January 2021/30 June 2022	–
At 1 July 2022	–
Impairment loss	1,025
At 30 June 2023	1,025
Carrying amounts	
At 1 January 2021	1,025
At 30 June 2022/1 July 2022	1,025
At 30 June 2023	–

7. GOODWILL ON CONSOLIDATION (CONT'D)

Goodwill

The Company acquired 51% equity interest of SP Plastic & Packaging Sdn. Bhd. for a total consideration of RM1,578,960 which was satisfied through a transfer of 2,205,500 treasury shares of the Company at an average market price of RM0.716.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination.

The aggregate carrying amounts of goodwill are allocated as follows:

	Group	
	2023 **RM'000**	**2022** **RM'000**
Sale of plastic materials in primary forms	–	1,025

In the current year, the Group recognised an impairment loss on goodwill because the recoverable amount is lower than the carrying amount of the goodwill.

The recoverable amount for the goodwill was based on its value in use, determined by discounting the future cash flows to be generated from the CGU and were based on the following key assumptions:

i) Cash flows were projected based on 4-year business plan;

ii) Revenues were projected based on 4-year business plan with growth rate ranging from 9% to 17%;

iii) Profit margins were based on historical performance and remain constant throughout the projected period; and

iv) A pre-tax discount rate of 11% was applied in determining the recoverable amount. The discount rate was estimated based on the industry's weighted average cost of capital.

8. INVENTORIES

	Group	
	2023 **RM'000**	**2022** **RM'000**
Raw materials	15,585	14,593
Finished goods	2,154	1,847
Consumables	110	133
	17,849	16,573

8. INVENTORIES (CONT'D)

	Group	
	2023 RM'000	2022 RM'000
Recognised in profit or loss:		
- Inventories recognised as cost of sales	72,772	176,982
- Written down/(Reversal of written down) of slow moving inventories	464	(27)
- Loss of inventories destroyed in fire	–	53,551
- Written down to net realisable value	39	–

The write-down of slow moving inventories is included in cost of sales.

In prior period, the loss of inventories destroyed in fire was included in cost of sales.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables	18,736	13,777	–	–
Other receivables, deposits and prepayments	17,040	35,550	15	15
Insurance claim receivables	–	40,000	–	–
Loan to a subsidiary	–	–	3,000	3,000
Due from a subsidiary - non-trade	–	–	1,136	1,785
	35,776	89,327	4,151	4,800

Loan to a subsidiary is subject to 3% (2022: 3%) interest per annum and repayable on demand. Non-trade amount due from a subsidiary is unsecured, interest free and repayable on demand.

The insurance claim receivables represented the second interim insurance compensation payment of RM25,000,000 for material damages and RM15,000,000 for business interruption loss approved by the insurer. The amounts have been received in current financial year.

Included in the Group's other receivables, deposits and prepayments are as follows:

	Group	
	2023 RM'000	2022 RM'000
Other receivables	25	7
Deposit for acquisition of a company (Note 27)	7,350	–
Deposits for purchase of property, plant and equipment	5,105	25,085
Deposits for rental and utilities	1,352	1,163
Advances to sub-contractors	2,367	8,960
Prepayments	841	335
	17,040	35,550

10. DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	24,318	40,539	97	97
Deposits with a licensed bank	25,000	–	–	–
Deposits, bank and cash balances in the statements of financial position	49,318	40,539	97	97
Less: Restricted cash	(5,640)	–	–	–
Cash and cash equivalents in the statements of cash flows	43,678	40,539	97	97

Included in cash and bank balances of the Group is an amount of RM5,640,000 (2022: NIL) placed under a designated account which is solely operated by the bank pursuant to the banking facility granted to the Group (see Note 13).

11. ASSETS CLASSIFIED AS HELD FOR SALE

A freehold land and building of the Group is classified as assets held for sale following the commitment of the Group's management to sell the property. Efforts to sell the property have commenced during the financial year, and a sale is expected by the following financial year.

The carrying value of the property is the same as its carrying value before it was being reclassified to current asset.

12. CAPITAL AND RESERVES

Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2023 RM'000	2022 RM'000	2023 '000	2022 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 July/1 January	133,627	116,353	431,117	430,553
Shares issued pursuant to ESOS	–	280	–	564
Share option exercised	–	27	–	–
Transfer from Warrants reserve	–	16,967	–	–
At 30 June	133,627	133,627	431,117	431,117

12. CAPITAL AND RESERVES (CONT'D)

Reserves

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-distributable				
Merger reserve	2,991	2,991	–	–
Accumulated losses	–	(48,844)	–	–
	2,991	(45,853)	–	–
Distributable				
Retained earnings	31,677	–	8,755	9,997
	34,668	(45,853)	8,755	9,997

13. LOANS AND BORROWINGS

	Group	
	2023 RM'000	2022 RM'000
Non-Current		
Secured		
Hire purchase liabilities	7,237	–
Term loans	483	7,671
	7,720	7,671
Current		
Secured		
Hire purchase liabilities	1,820	–
Term loans	92	91
	1,912	91
Unsecured		
Trust receipts	–	33,320
Revolving credit	12,159	13,213
Bankers' acceptances	1,830	8,318
	13,989	54,851
	15,901	54,942
	23,621	62,613

Security

Certain loans and borrowings are guaranteed by the Company.

The hire purchase liabilities are secured by certain plant and machineries as disclosed in Note 3.4.

14. EMPLOYEE BENEFITS

Retirement benefits

	Group	
	2023 RM'000	**2022 RM'000**
Defined benefit liability	526	580

The Group has a retirement benefit plan that pays a lump sum benefits for certain employees upon retirement. Under the scheme, eligible employees are entitled to retirement benefits of 25% of the last drawn salary for each completed year of service upon retirement age of 60.

Movement in defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for defined benefit liability.

	Group	
	2023 RM'000	**2022 RM'000**
Balance at 1 July/1 January	580	548
Included in profit or loss		
Current service cost	34	71
	614	619
Reversal of benefits	(65)	(39)
Employee benefits paid	(23)	–
Balance at 30 June	526	580

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Trade payables	13,207	23,409	–	–
Other payables and accrued expenses	8,651	8,920	457	596
	21,858	32,329	457	596

15. TRADE AND OTHER PAYABLES (CONT'D)

Included in other payables and accrued expenses are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Plant and equipment payables	4,372	445	–	–
Sundry payables	2,624	730	45	6
Accruals and provisions	1,655	7,745	412	590
	8,651	8,920	457	596

In prior period, included in accruals and provisions was an advance of RM3,500,000 received from a salvage collector for disposal of metal remnants and debris which has been included in profit or loss during the year.

16. REVENUE

	Group		Company	
	1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000	1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000
Revenue from contracts with customers				
- Over time	–	136,401	–	–
- At a point in time	57,853	30,756	–	–
Other revenue				
- Dividend income	–	–	4,350	–
	57,853	167,157	4,350	–

	Group	
	1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000
Disaggregation of revenue from contracts with customers		
- Local	18,035	75,813
- Export	39,818	91,344
	57,853	167,157

16. REVENUE (CONT'D)

16.1 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Obligation for returns or refunds
Trading and manufactured packaging products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises Revenue is recognised over time as costs are incurred. These contracts would meet the no alternative use criteria and the Group has rights to payment for work performed	Credit period of 14 to 120 days from invoice date	The Group allows returns for product exchange or cash refund

The Group applies the practical expedient for exemption on disclosure of information on remaining performance obligation that have original expected durations of one year or less.

The revenue from contract with customers of the Group is not subject to variable elements in the consideration and warranty.

17. FINANCE COSTS

	Group	
	1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	2,498	1,910
Interest expense on lease liabilities	14	9
	2,512	1,919
Bank charges	44	156
	2,556	2,075

18. TAX EXPENSE

Recognised in profit or loss

Major components of income tax expense include:

	Group		Company	
	1.7.2022 to 30.6.2023 RM'000	**1.1.2021 to 30.6.2022 RM'000**	**1.7.2022 to 30.6.2023 RM'000**	**1.1.2021 to 30.6.2022 RM'000**
Current tax expense				
- Current year/period	124	183	–	–
- Prior period	(25)	(2)	–	–
	99	181	–	–
Deferred tax expense				
- Origination of temporary differences	–	4,527	–	–
	99	4,708	–	–
Reconciliation of tax expense				
Profit/(Loss) before tax	84,941	(95,152)	3,069	(678)
Income tax calculated using Malaysian tax rate of 24%	20,386	(22,836)	736	(163)
Non-deductible expenses	3,164	838	308	163
Non-taxable income	–	(412)	(1,044)	–
Effect of unrecognised deferred tax assets	(23,426)	27,120	–	–
	124	4,710	–	–
Over provision in prior period	(25)	(2)	–	–
Tax expense	99	4,708	–	–

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2023 RM'000	**2022 RM'000**
Unutilised reinvestment allowances	26,537	69,749
Unutilised tax losses	10,311	17,189
Unabsorbed capital allowances	–	47,660
Others	142	–
	36,990	134,598

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

The unutilised reinvestment allowances will expire in year of assessment 2025.

18. TAX EXPENSE (CONT'D)

Unrecognised deferred tax assets (Cont'd)

The unutilised tax losses will expire in the following year of assessment:

	Group 2023 RM'000	Group 2022 RM'000
2031	1,747	8,625
2032	8,564	8,564
	10,311	17,189

Movement in temporary differences during the year

	At 1 January 2021 RM'000	Recognised in profit or loss RM'000	At 30 June 2022/ 1 July 2022 RM'000	Recognised in profit or loss RM'000	At 30 June 2023 RM'000
Group					
Property, plant and equipment	(18,556)	18,324	(232)	41	(191)
Unabsorbed capital allowances	12,620	(8,788)	3,832	(3,832)	–
Unutilised reinvestment allowances	10,053	(10,053)	–	6,519	6,519
Insurance claim	–	(3,600)	(3,600)	(2,728)	(6,328)
Others	410	(410)	–	–	–
	4,527	(4,527)	–	–	–

19. PROFIT/(LOSS) FOR THE YEAR/PERIOD

	Group 1.7.2022 to 30.6.2023 RM'000	Group 1.1.2021 to 30.6.2022 RM'000	Company 1.7.2022 to 30.6.2023 RM'000	Company 1.1.2021 to 30.6.2022 RM'000
Profit/(Loss) for the year/ period is arrived at after charging/(crediting)				
Auditors' remuneration:				
- Audit fees:				
- KPMG PLT	175	278	50	78
- Other auditors	17	20	–	–
- Non-audit fees:				
- KPMG PLT	58	5	8	5
- Local affiliates of KPMG PLT	41	14	9	3

19. PROFIT/(LOSS) FOR THE YEAR/PERIOD (CONT'D)

	Note	Group 1.7.2022 to 30.6.2023 RM'000	Group 1.1.2021 to 30.6.2022 RM'000	Company 1.7.2022 to 30.6.2023 RM'000	Company 1.1.2021 to 30.6.2022 RM'000
Profit/(Loss) for the year/ period is arrived at after charging/(crediting) (Cont'd)					
Depreciation of:					
- Property, plant and equipment		6,237	18,254	–	–
- Investment properties		5	6	–	–
- Right-of-use assets		175	354	–	–
Earnest deposit forfeited		1,469	–	–	–
Prepayment written off		6,171	–	–	–
Expenses relating to short-term leases	a	399	132	–	–
Expenses relating to leases of low-value assets	a	2	54	–	–
Net foreign exchange differences		1,526	2,972	–	–
Insurance claim	b	(120,000)	(115,000)	–	–
Personnel expenses (including key management personnel):					
- Contributions to state plans		1,145	1,988	–	–
- Defined benefit plan:					
- Reversal of benefits		(65)	(39)	–	–
- Current service cost		34	71	–	–
- Wages, salaries and others		12,174	23,593	–	–
- Equity settled share-based transactions		–	391	–	–
Property, plant and equipment:					
- Written off due to fire		–	126,568	–	–
- Written off due to obsolescence		–	10	–	–
- Gain on disposal		(98)	(3)	–	–
Inventories:					
- Loss of inventories in fire		–	53,551	–	–
- Written down to net realisable value		39	–	–	–
- Written down/(Reversal of written down) of slow moving inventories		464	(27)	–	
Impairment loss on investment properties		–	85	–	–
Impairment loss on goodwill		1,025	–	–	–
Impairment loss on investment in a subsidiary		–	–	762	–
(Reversal of impairment loss)/ Impairment loss on trade receivables		(261)	561	–	–
Gain on derecognition of right-or-use assets		–	(5)	–	–

19. PROFIT/(LOSS) FOR THE YEAR/PERIOD (CONT'D)

Note a

The Group leases hostels and office equipment with contract terms of 1 to 3 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Note b

The Group recognised insurance compensation due to the fire that occurred on 19 December 2021.

20. EARNINGS/(LOSS) PER ORDINARY SHARE

Basic earnings/(loss) per ordinary share

The calculation of basic earnings/(loss) per ordinary share at 30 June 2023 was based on the profit/(loss) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Profit/(Loss) attributable to ordinary shareholders:

	Group	
	1.7.2022 to 30.6.2023 RM'000	**1.1.2021 to 30.6.2022 RM'000**
Profit/(Loss) for the year/period attributable to owners	84,832	(100,033)
Weighted average number of ordinary shares	431,117	431,075

	Group	
	1.7.2022 to 30.6.2023	**1.1.2021 to 30.6.2022**
Basic earnings/(loss) per ordinary share (sen)	19.68	(23.21)

Diluted loss per ordinary share

There is no dilutive ordinary share outstanding as at 30 June 2023 and 30 June 2022.

21. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM'000	Date of payment
2023			
Dividend 2023	1.0	4,311	30 June 2023

22. OPERATING SEGMENTS

The Group operates principally in Malaysia and manufacture and sale of packaging materials, polyethylene, polypropylene films and sheets. The Group's assets and liabilities are basically in Malaysia.

The Group's operation is divided into local and export market. The local market relates to sales to customers within Malaysia. The export market relates to sales to overseas customers with South East Asia being the principal market segment.

	1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000
Revenue		
- Local	18,035	75,813
- Export	39,818	91,344
	57,853	167,157

Major customers

The following are two major customers (including companies under common control) with revenue equal or more than 10% of the Group's total revenue:

Segment

	Revenue	
	1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000
All common control companies of:		
Customer A	27,645	35,766
Customer B	11,588	41,595
	39,233	77,361

23. CAPITAL COMMITMENTS

	Group	
	2023 RM'000	2022 RM'000
Capital expenditure commitments		
Plant and equipment		
Contracted but not provided for	9,164	46,608

24. FINANCIAL INSTRUMENTS

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Group		Company	
	Carrying amount RM'000	AC RM'000	Carrying amount RM'000	AC RM'000
2023				
Financial assets				
Trade and other receivables	20,113	20,113	4,151	4,151
Deposits, bank and cash balances	49,318	49,318	97	97
	69,431	69,431	4,248	4,248
Financial liabilities				
Loans and borrowings	(23,621)	(23,621)	–	–
Trade and other payables	(21,858)	(21,858)	(457)	(457)
	(45,479)	(45,479)	(457)	(457)
2022				
Financial assets				
Trade and other receivables	54,947	54,947	4,800	4,800
Deposits, bank and cash balances	40,539	40,539	97	97
	95,486	95,486	4,897	4,897
Financial liabilities				
Loans and borrowings	(62,613)	(62,613)	–	–
Trade and other payables	(32,329)	(32,329)	(596)	(596)
	(94,942)	(94,942)	(596)	(596)

24.2 Net gains and losses arising from financial instruments

	Group		Company	
	1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000	1.7.2022 to 30.6.2023 RM'000	1.1.2021 to 30.6.2022 RM'000
Net gains/(losses) on:				
Financial assets at amortised cost	439	584	90	136
Financial liabilities at amortised cost	(3,895)	(5,919)	–	–
	(3,456)	(5,335)	90	136

24. FINANCIAL INSTRUMENTS (CONT'D)

24.3 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

24.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivable from customers. The Company's exposure to credit risk arises principally from financial guarantees given to banks for credit facilities granted to a subsidiary. There are no significant changes as compared to prior period.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior period.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

Concentration of credit risk

The Group has significant concentrations of credit risk arising from amounts due from two (2022: three) major customers, representing 68% (2022: 56%) of the Group's trade receivables.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss

Management has taken reasonable steps to ensure that trade receivables are neither past due nor impaired are stated at their realisable values. A significant portion of these trade receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any trade receivables having significant balances past due more than respective credit term, which are deemed to have higher credit risk, are monitored individually.

The Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

The following table provides information about the exposure to credit risk for trade receivables as at the end of the reporting date which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2023			
Current (not past due)	15,200	5	15,195
1 - 30 days past due	385	5	380
31 - 60 days past due	161	7	154
61 - 90 days past due	282	10	272
	16,028	27	16,001
Credit impaired			
More than 90 days past due	2,755	20	2,735
Individually impaired	904	904	–
	19,687	951	18,736
2022			
Current (not past due)	7,736	10	7,726
1 - 30 days past due	3,665	7	3,658
31 - 60 days past due	1,558	26	1,532
61 - 90 days past due	526	1	525
	13,485	44	13,441
Credit impaired			
More than 90 days past due	337	1	336
Individually impaired	1,167	1,167	–
	14,989	1,212	13,777

24. FINANCIAL INSTRUMENTS (CONT'D)

24.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

Group	Credit impaired/Total 2023 RM'000	2022 RM'000
Balance at 1 July/1 January	1,212	651
Net remeasurement of loss allowance	(261)	561
Balance at 30 June	951	1,212

Deposits, bank and cash balances

The deposits, bank and cash balances are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance are not material and hence, it is not provided for.

Other receivables

The Group and the Company monitor the exposure to credit risk on individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position and the Group and the Company do not recognise any allowance for impairment losses.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to service its loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM23,045,493 (2022: RM61,949,484) representing the outstanding banking facilities of the subsidiary at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiary's loans and borrowings.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.4 Credit risk (Cont'd)

Financial guarantees (Cont'd)

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, the Company does not recognise any allowance for impairment losses.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to a subsidiary. The loans and advances have no fixed term of repayment and are repayable on demand. The Company regularly monitors the financial results and cash flow position of the subsidiary.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans provided are not secured by any collateral nor supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers amount due from a subsidiary as having low credit risk. The Company considers that there is a significant increase in credit risk when the subsidiary's business performance and financial position deteriorates significantly. The Company considers the amounts to be in default when the subsidiary is not able to pay when demanded. The Company considers the amount due from a subsidiary to be credit impaired when:

- The subsidiary is unable to repay the amount demanded; and/or
- The subsidiary is continuously loss making and will have insufficient future cash flows to repay the amount due.

The exposure to credit risk in respect of a subsidiary as at the end of the reporting period is as follows.

	Gross carrying amount/ Net balance	
	2023	2022
Company	RM'000	RM'000
Low credit risk	4,136	4,785

As at end of the reporting period, there was no indication that the amount due from a subsidiary is not recoverable.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities and lease liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2023							
Group							
Non-derivative financial liabilities							
Secured term loans	575	4.15	855	118	118	354	265
Unsecured bankers' acceptances	1,830	6.85 - 7.26	1,830	1,830	–	–	–
Unsecured revolving credit	12,159	6.70	12,159	12,159	–	–	–
Secured hire purchase liabilities	9,057	3.15	10,309	2,315	2,315	5,679	–
Lease liabilities	2,186	6.90	2,577	540	540	1,497	–
Trade and other payables	21,858		21,858	21,858	–	–	–
	47,665		49,588	38,820	2,973	7,530	265

24. FINANCIAL INSTRUMENTS (CONT'D)

24.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2023							
Company							
Non-derivative financial liabilities							
Other payables	457	–	457	457	–	–	–
Financial guarantee	–	–	23,046*	23,046	–	–	–
	457		23,503	23,503	–	–	–
2022							
Group							
Non-derivative financial liabilities							
Secured term loans	7,762	2.74 - 3.17	8,580	369	1,554	6,397	260
Unsecured trust receipts	33,320	1.04 - 4.40	33,320	33,320	–	–	–
Unsecured bankers' acceptances	8,318	2.89 - 6.57	8,318	8,318	–	–	–
Unsecured revolving credit	13,213	3.05	13,213	13,213	–	–	–
Trade and other payables	32,329	–	32,329	32,329	–	–	–
	94,942		95,760	87,549	1,554	6,397	260
Company							
Non-derivative financial liabilities							
Other payables	596	–	596	596	–	–	–
Financial guarantee	–	–	61,949*	61,949	–	–	–
	596		62,545	62,545	–	–	–

* The amount represents the outstanding banking facilities of a subsidiary as at the end of the reporting period.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk are primarily US Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

There is no formal hedging policy with respect to foreign currency exposure. Exposure to foreign currency is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currencies of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in USD	
Group	**2023 RM'000**	**2022 RM'000**
Trade and other receivables	14,154	7,067
Deposits, bank and cash balances	3,078	2,207
Unsecured revolving credit	(12,159)	(13,213)
Unsecured bankers' acceptances	(1,830)	–
Secured term loans	–	(7,098)
Unsecured trust receipts	–	(33,320)
Trade and other payables	(1,041)	(2,311)
	2,202	(46,668)

Currency risk sensitivity analysis

A 10% (2022: 10%) strengthening of the Ringgit Malaysia against USD at the end of the reporting period would have increased/(decreased) post-tax profit or loss by loss of RM167,000 (2022: gain of RM3,547,000). This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% (2022: 10%) weakening of Ringgit Malaysia against USD at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.6 Market risk (Cont'd)

Interest rate risk

The Group's borrowings and lease liabilities are exposed to a risk of change in their fair value due to changes in interest rates.

Risk management objectives, policies and processes for managing the risk

There is no formal hedging policy with respect to interest rate exposure. Exposure to interest rate risk is monitored on an ongoing basis and the Group endeavours to keep the exposure at an acceptable level.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments and lease liabilities, based on carrying amounts as at end of the reporting period:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Fixed rate instruments				
Lease liabilities	(2,186)	–	–	–
Financial liabilities	(23,046)	(54,851)	–	–
Financial assets	–	–	3,000	3,000
	(25,232)	(54,851)	3,000	3,000
Floating rate instruments				
Financial liabilities	(575)	(7,762)	–	–

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss of the Group by RM4,000 (2022: RM59,000). This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amount of the floating rate term loans approximates their fair values as the interest rate is expected to correspond to the movements in the market interest rate.

The table below analyses other financial instruments at fair value.

	Fair value of financial instruments not carried at fair value Level 3 RM'000	Carrying amount RM'000
Group		
2023		
Financial liabilities		
Hire purchase liabilities	9,472	9,057

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Hire purchase liabilities	Discounted cash flows using a rate based on the current market rate of borrowing of the Group at the reporting date.

25. CAPITAL MANAGEMENT

The Group's capital is represented by its total equity in the statement of financial position. The Directors monitor the adequacy of capital on an ongoing basis.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group's strategy is to maintain the gearing ratio at below 1.0 (2022: 1.0) time.

The gearing ratio at 30 June 2023 and at 30 June 2022 were as follows:

	Group	
	2023 RM'000	**2022 RM'000**
Total borrowings (Note 13)	23,621	62,613
Total equity	169,087	88,556
Gearing ratio	0.14	0.71

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

26. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its subsidiaries and key management personnel.

26. RELATED PARTIES (CONT'D)

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 9.

	Group		Company	
	1.7.2022 to 30.6.2023 RM'000	**1.1.2021 to 30.6.2022 RM'000**	**1.7.2022 to 30.6.2023 RM'000**	**1.1.2021 to 30.6.2022 RM'000**
A. Subsidiary				
Dividend received	–	–	4,350	–
Interest income	–	–	90	135
B. Key management personnel				
Directors:				
- Fees	313	480	313	480
- Over provision of fees in prior year	–	(85)	–	(85)
- Remunerations/Allowances	1,014	717	38	36
- Contributions to state plans	104	87	–	–
Total short-term employee benefits	1,431	1,199	351	431
Other key management personnel:				
- Remuneration	535	1,114	–	–
- Contributions to state plans	55	156	–	–
	590	1,270	–	–

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

27. SIGNIFICANT EVENTS

On 14 June 2023, the subsidiary, Tomypak Flexible Packaging Sdn.Bhd. ("TFPSB") had entered into conditional share sale agreements ("SSA") with Siow Chew Kiong, Teo Kee Lin, Hoo Jik Heng, Teo Peng Hong (collectively, "Promoters") and RMCP Plastics Holdings Sdn. Bhd. ("RMCP") to acquired 70% equity interest in EB Packaging Sdn. Bhd. ("EB Packaging") for a total cash consideration of RM73,500,000 ("Proposed Acquisition").

TFPSB had also entered into a call and put options for the acquisition of the remaining 30% equity interest in EB Packaging from the Promoters for a maximum cash consideration of RM31,500,000 for the next 3 years ("Proposed Call and Put Options").

Upon completion of the Proposed Acquisition, EB Packaging will become a 70% owned subsidiary of TFPSB with the Promoters holding the remaining 30% equity interest in EB Packaging.

The Condition Precedent of the SSA has been fulfilled and the SSA has become unconditional on 11 October 2023. Barring unforeseen circumstances, the Proposed Acquisition is expected to be completed by 8 November 2023.

As the Proposed Acquisition is not completed, an estimate of its financial effect cannot be reasonably ascertained at this juncture.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 82 to 142 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....

Yong Kwet On
Director

....

Lee Kwee Heng
Director

Date: 31 October 2023

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **Leo Aun Foo**, the officer primarily responsible for the financial management of TOMYPAK HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 82 to 142 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Leo Aun Foo**, NRIC: 771121-01-6267, MIA CA 32120, at Johor Bahru in the State of Johor on 31 October 2023

....

Leo Aun Foo

Before me:
Lau Lay Sung
Commissioner for Oaths
J-246

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TOMYPAK HOLDINGS BERHAD
Registration Number: 199501008545 (337743-W)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Tomypak Holdings Berhad, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 82 to 142.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Cont'd)

Recognition of property, plant and equipment - Group	
Refer to Note 3 - Property, plant and equipment	
The key audit matter	**How the matter was addressed in our audit**
The main manufacturing plant at Senai, Johor was destroyed by fire on 19 December 2021. As part of the business recovery plan, significant amount of capital expenditures have been incurred to set-up new production facility and to retrofit the manufacturing plant at Tampoi, Johor. We identified recognition of property, plant and equipment as a key audit matter because of the volume of transactions during the year and the financial significance in the financial statements.	We performed the following audit procedures, among others: • Obtained understanding of the process, evaluated the design and implementation of controls over the recognition of property, plant and equipment. • Performed substantive testing on the additions of property, plant, and equipment by vouching to supplier's invoices. • Performed sighting on samples of additions during the year to ascertain the existence of property, plant, and equipment. • Obtained corroborative evidence on existence of property, plant and equipment by reading minutes of meetings and inquiry with management.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors is disclosed in Note 6 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chan Yen Ing
Approval Number: 03174/04/2025 J
Chartered Accountant

Johor Bahru

Date: 31 October 2023

ANALYSIS OF SHAREHOLDINGS

AS AT 29 SEPTEMBER 2023

Total number of issued shares	:	431,116,670
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share
No. of Shareholders	:	3,791

DISTIBUTION OF SHAREHOLDINGS

Range of Shares	No. of shareholders	Percentage (%)	No. of Shares	Percentage (%)
1 to 99	149	3.93	5,879	0.00
100 to 1,000	298	7.86	169,328	0.04
1,001 to 10,000	1,496	39.46	8,653,849	2.01
10,001 to 100,000	1,562	41.21	48,891,292	11.34
100,001 to 21,555,833 (*)	281	7.41	161,929,258	37.56
21,555,834 and above (**)	5	0.13	211,467,064	49.05
Total	**3,791**	**100.00**	**431,116,670**	**100.00**

Remarks:
* Less than 5% of issued shares
** 5% and above of issued shares

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 29 SEPTEMBER 2023

No.	Name of Substantial Shareholders	Interest in Shares Direct	Deemed	*Percentage (%) Total
1	New Orient Resources Sdn. Bhd.	99,634,752	–	23.11
2	Yong Kwet On	1,117,087	99,634,752 (a)	23.37
3	Lim Hun Swee	90,001,012	–	20.88
4	Zalaraz Sdn. Bhd.	21,831,300	–	5.06
5	Pavilion Access Sdn Bhd	–	99,634,752(a)	23.11
6	Chow Zee Neng	102,000	99,634,752(a)	23.13

DIRECTORS' INTEREST IN SHARES AS AT 29 SEPTEMBER 2023

No.	Name of Directors	Interest in Shares Direct	Deemed	*Percentage (%) Total
1.	Yong Kwet On	1,117,087	99,634,752 (a)	23.37
2.	Azmi Bin Arshad	100,000	–	0.02
3.	To' Puan Rozana Binti Tan Sri Redzuan	340,000	–	0.08
4.	Lee Kwee Heng	445,100	–	0.10
5.	Lim Bee Leong	20,000	–	0.01

Note:
(a) By virtue of his / its substantial shareholdings in New Orient Resources Sdn. Bhd.
* The percentage of shareholding is computed based on the total number of issued shares of 431,116,670 as at 29 September 2023

LIST OF TOP 30 SHAREHOLDERS AS AT 29 SEPTEMBER 2023

No.	Name of shareholders	Number of shares	%
1.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NEW ORIENT RESOURCES SDN BHD	71,690,000	16.63
2.	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HUN SWEE	56,422,500	13.09
3.	LIM HUN SWEE	33,578,512	7.79
4.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NEW ORIENT RESOURCES SDN BHD	27,944,752	6.48
5.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZALARAZ SDN BHD (MY3113)	21,831,300	5.06
6.	CGS-CIMB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABDUL AZIZ BIN MOHAMED HUSSAIN (MY0324)	10,900,000	2.53
7.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHEW HON CHOY(SMART)	9,630,000	2.23
8.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH CHEN YOOK (8089132)	7,485,100	1.74
9.	AZLIN BINTI ARSHAD	6,856,700	1.59
10.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH CHEN YOOK (021)	6,133,700	1.42
11.	TAN BEE LAY	6,100,000	1.42
12.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP	4,500,000	1.04
13.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ARSHAD BIN AYUB (MY1393)	4,159,837	0.97
14.	OEI YANG YANG @ NG YEN YEN	4,000,000	0.93
15.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW HON CHOY (7003209)	3,510,000	0.81
16.	CHEW HON CHOY	3,091,000	0.72
17.	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR TEH SHIOU CHERNG	2,870,000	0.67

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF TOP 30 SHAREHOLDERS AS AT 29 SEPTEMBER 2023 (CONT'D)

No.	Name of shareholders	Number of shares	%
18.	TAN AH PING	2,660,000	0.62
19.	EE CHONG PANG	2,480,000	0.58
20.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIM HEUNG (MY1989)	2,000,000	0.46
21.	EE CHONG PANG	2,000,000	0.46
22.	KAN MUN HOOW	2,000,000	0.46
23.	YAP SUET HENG	1,770,000	0.41
24.	YIM YOKE YEE	1,710,000	0.40
25.	EXPO HOLDINGS SDN BHD	1,500,000	0.35
26.	CHONG LEE FONG	1,460,000	0.34
27.	LOW HON LAI	1,311,700	0.30
28.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW SIEW LAN (MX2700)	1,281,000	0.30
29.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG KWET ON	1,117,087	0.26
30.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH CHEN FOONG (MY1718)	1,100,000	0.26
	TOTAL	**303,093,188**	**70.32**

PARTICULARS OF PROPERTIES

The details of the landed property of the Tomypak Group as at 30 June 2023 are as follows:

Registered Owner/ Location	Description/ Existing Use	Land/ Built-up Area ('000 sq.ft)	Tenure Age of building	Net Book Value RM'000	Date of Last Revaluation
Tomypak Flexible Packaging Sdn Bhd/ PTD 109476 Jalan Cyber 4, Kawasan Perindustrian Senai Fasa 3, 81400 Senai, Johor	Industrial Land/ Factory building	456.84/ 12.24	Freehold land	18,298	12.09.2022
Tomypak Flexible Packaging Sdn Bhd/ 11, Jalan Tahana, Kawasan Perindustrian Tampoi, 80350 Johor Bahru, Johor	Industrial Land/ Factory building	174.24/ 150.89	Leasehold land expiring on 30.09.2034	6,764	12.09.2022
Tomypak Flexible Packaging Sdn Bhd/ Unit 736, Block A, Kelana Centre Point, No.3, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor	Industrial Land/ Factory Building	1.195	Leasehold building expiring on 23.01.2094	303	25.08.2022
Tomypak Flexible Packaging Sdn Bhd/ Unit 508 & 510, Block A, Kelana Centre Point, No.3, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor	Industrial Land/ Factory Building	3.229	Leasehold building expiring on 23.01.2094	1,062	25.08.2022
SP Plastic & Packaging Sdn Bhd/ Lot 1293 & Lot 1294, Jalan Industri Rembia 9, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Johor	Industrial Land/ Factory building	6.00/ 4.80	Freehold land	960	25.08.2022

NOTICE OF TWENTY EIGHT ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Eighth Annual General Meeting ("28th AGM") of the Company will be conducted on a virtual basis through live streaming from the broadcast venue at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 13 December 2023 at 11.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 30 June 2023 together with the Reports of the Directors' and Auditors' thereon. **(Please refer to Note No. 1)**

2. To approve the payment of Directors' fees of up to RM480,000 for the financial year ended 30 June 2023. **(Resolution 1)**

3. To approve the payment of Directors' benefits to the Directors of the Company and its subsidiaries up to an amount of RM120,000 for the period from 14 December 2023 until the conclusion of the next Annual General Meeting of the Company to be held in 2024. **(Resolution 2)**

4. To approve the payment of Directors' fees of up to RM480,000 for the financial year ending 30 June 2024 to be payable quarterly in arrears **(Resolution 3)**

5. To re-elect To' Puan Rozana Binti Tan Sri Redzuan who retires in accordance with Clause 103 of the Company's Constitution. **(Resolution 4)**

6. To re-elect Mr Lee Kwee Heng who retires in accordance with Clause 110 of the Company's Constitution. **(Resolution 5)**

7. To re-elect Mr Lim Bee Leong who retires in accordance with Clause 110 of the Company's Constitution. **(Resolution 6)**

8. To re-elect Mr Low Chiun Yik who retires in accordance with Clause 110 of the Company's Constitution. **(Resolution 7)**

9. To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 30 June 2024 and to authorise the Board of Directors to determine their remuneration. **(Resolution 8)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modification(s), the following resolution as Ordinary Resolution:

10. Ordinary Resolution

    - Proposed authority to issue and allot shares pursuant to Section 75 And 76 of the Companies Act 2016 ("CA 2016") and waiver of pre-emptive rights pursuant to the CA 2016

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to approval of the relevant regulatory bodies, the Directors be and are hereby authorised to issue and allot shares in the Company at any time at such price and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares so issued does not exceed 10% of the issued capital of the Company for the time being and the Directors be and are also empowered to obtain the approval of the Bursa Malaysia Securities Berhad for listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT pursuant to Section 85 of the CA 2016, read together with Clause 65 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued Company shares arising from issuance of new shares pursuant to this Mandate." **(Resolution 9)**

11. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC No.: 202008001023)
SANTHI A/P SAMINATHAN (MAICSA 7069709) (SSM PC No.: 201908002933)
Company Secretaries

Johor Bahru

31 October 2023

Notes:

1. *The 28th Annual General Meeting of the Company ("**28th AGM**") will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting facilities ("**RPEV Facilities**") to be provided by the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC-D6A357657). Please follow the procedures as set out in the Administrative Guide for the 28th AGM in order to attend, participate and/or vote remotely via the RPEV Facilities.*

2. *The broadcast venue of the 28th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be at the main venue of the 28th AGM. Members/proxy(ies) /corporate representatives are not allowed to physically present nor admitted at the broadcast venue on the day of the 28th AGM.*

3. *A proxy must be of full age. A proxy may but need not be a member of the Company.*

4. *A member entitled to attend, participate and/or vote is entitled to appoint not more than two (2) proxies to attend, participate and/or vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

NOTICE OF TWENTY EIGHT ANNUAL GENERAL MEETING (CONT'D)

Notes: (Cont'd)

5. *Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which* the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

6. *A member who has appointed a proxy or attorney or authorised representative to attend, participate, and/or vote at the 28th AGM must follow the procedures as set out in the Administrative Guide for the 28th AGM to request for Remote Participation.*

7. *If the appointor is a corporation, the Form of Proxy must be executed under its Seal or under the hand of its attorney.*

8. *The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at Level 11, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before the time for holding the virtual 28th AGM or any adjournment thereof, failing which, the instrument of proxy shall not be treated as valid. Alternatively, the Proxy Form can be electronically submitted via Boardroom Share Registrars' website, Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please refer to the Administrative Guide the 28th AGM for further information on electronic submission.*

9. *Please ensure ALL the particulars as required in the Proxy Form/e-Proxy Form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.*

10. *If you have submitted your Proxy Form/e-Proxy Form and subsequently decide to appoint another person or wish to participate in the virtual 28th AGM yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) at least 48 hours before the 28th AGM.*

11. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote on a poll.*

12. *Last date and time for lodging the Proxy Form/e-Proxy Form is* ***Monday, 11 December 2023 at 11.00 a.m.***

13. *In respect of deposited securities, only members whose names appear on the Record of Depositors on Wednesday, 6 December 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, participate and/or vote on his/her behalf via the RPEV Facilities.*

13. ***EXPLANATORY NOTES:***

Agenda 1
To receive Audited Financial Statements

This Agenda item is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016 and the Company's Constitution, the Audited Financial Statements do not require approval of the shareholders' and hence, is not put forward for voting.

Agenda 2 to 4
Ordinary Resolutions 1 to 3 in relation to the Payment of Directors' fees and other benefits payable

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

Notes: (Cont'd)

13. ***EXPLANATORY NOTES: (Cont'd)***

Agenda 2 to 4 (Cont'd)

In this respect, the Board wishes to seek shareholders' approval for payment of Directors' fees amounting up to RM480,000 for the year ended 30 June 2023, other benefits payable up to RM120,000 for the period from 14 December 2023 until the conclusion of the next AGM to be held in year 2024 and payment of Directors' fees amounting up to RM480,000 for the financial year ending 30 June 2024 to be payable quarterly in arrears.

The Ordinary Resolution 3, if passed are to facilitate the payment of Directors' fees on a quarterly basis and/or as and when incurred. The Board is opined that it is just and equitable for the Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services. In the event, where the Directors' fees payable during the above period exceeds the estimated amount sought at this AGM, shareholders' approval will be sought at the next AGM.

In determining the total amount of Directors' Fees and the estimated Benefits payable for the Directors of the Company, the Board has considered various factors including the number of scheduled meetings for the Board and Board Committees of the Company as well as the number of Directors involved in these meetings based on the current number of Directors and also includes additional provisional sum for any increase in the number of Board and Committee meetings if required.

Agenda 5 to 8
Ordinary Resolution 4 to Ordinary Resolution 7 on the Re-election of the Directors

Clause 103 of the Company's Constitution expressly states that at the Annual General Meeting ("AGM") in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then, the number nearest to one-third shall retire from office and be eligible for re-election.

Whereas Clause 110 of the Company's Constitution provides that any Director so appointed either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Pursuant to Clause 103 of the Company's Constitution, To ' Puan Rozana Binti Tan Sri Redzuan is standing for re-election at this 28th AGM.

Pursuant to Clause 110 of the Company's Constitution, Mr Lee Kwee Heng, Mr Lim Bee Leong and Mr Low Chiun Yik are standing for re-election at this 28th AGM.

The profile of the Directors standing for re-election are set out in the Board of Directors' Profile in the Annual Report 2023. In addition, the shareholdings in the Company of the Directors standing for re-election are set out in the Directors' Report and/or Analysis of Shareholdings in the Annual Report 2023.

The Nomination and Remuneration Committee ("NRC") of the Company has considered based on the evaluation criteria, contribution of the directors and conducted the fit and proper assessment of the respective directors standing for re-election in recommending their re-election. The Board has also endorsed the NRC's recommendation that the retiring Directors be re-elected as Directors of the Company.

Agenda 9
Ordinary Resolution 8 on the Re-appointment of Auditors

Ordinary Resolution 8, pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs KPMG PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office.

NOTICE OF TWENTY EIGHT ANNUAL GENERAL MEETING (CONT'D)

Notes: (Cont'd)

13. ***EXPLANATORY NOTES: (Cont'd)***

Agenda 9 (Cont'd)

Messrs KPMG PLT, have indicated their willingness to continue their service. The re-appointment of Messrs KPMG PLT as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This proposed Ordinary Resolution 8, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

Agenda 10
Ordinary Resolution 9 on the Authority to Allot and Issue Shares by Directors pursuant to Sections 75 and 76 of the CA 2016 and waiver of pre-emptive rights pursuant to the CA 2016

The Proposed authority to issue shares, Ordinary Resolution 9, if passed, will give the Directors of the Company, from the date of the 28th AGM, authority to issue not more than ten percent (10%) of the total number of issued shares of the Company for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. Such issuance of shares will still be subject to the approvals of the Securities Commission and Bursa Malaysia Securities Berhad. This authority, unless revoked or varied at a General Meeting, will expire at the conclusion of the next AGM of the Company.

The waiver of pre-emptive rights pursuant to Section 85 of the CA 2016 to be read together with Clause 65 of the Constitution of the Company will allow the Directors of the Company to issue new shares of the Company which will rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares and thereby reducing administrative time and cost associated with the convening of such meeting(s).

The mandate sought under Ordinary Resolution 9 above is a renewal of an existing mandate. There was no issuance of share and thus no proceeds raised since the last renewal was sought.

If approved, the renewal of the general mandate above will provide flexibility to the Company for any potential fund-raising activities and there is no specific purpose and utilisation for the proceeds to be raised under this mandate. Hence, the proceeds to be raised, if any, may be used for funding current and/or future investments, working capital, repayment of bank borrowings, acquisition and/or for issuance of shares as settlement of purchase consideration.

Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate and/or vote at the 28th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 28th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 28th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING

NOTICE OF TWENTY EIGHTH (28TH) ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27 (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. RE-ELECTION OF DIRECTORS

There is no person seeking for election as Director of the Company at this Annual General Meeting except for the following Directors standing for re-election at the 28th Annual General Meeting of the Company as follows:-

(a)	To' Puan Rozana Binti Tan Sri Redzuan	-	ORDINARY RESOLUTION 4
(b)	Lee Kwee Heng	-	ORDINARY RESOLUTION 5
(c)	Lim Bee Leong	-	ORDINARY RESOLUTION 6
(d)	Low Chiun Yik	-	ORDINARY RESOLUTION 7

The profile of the Directors who are standing for re-election are set out in the Profile of the Board of Directors in the Annual Report for the financial year ended 30 June 2023 (the "Annual Report").

The shareholdings in the Company of the Directors standing for re-election are set out in the Directors' Report and/or Analysis of Shareholdings in the Annual Report.

2. GENERAL MANDATE FOR ISSUE OF SECURITIES PURSUANT TO PARAGRAPH 6.03(3) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The general mandate for issuance of shares by the Company under Section 75 and 76 of the Companies Act 2016 is for the purpose of granting renewal of the mandate obtained from its shareholders at the 27th Annual General Meeting held on 15 December 2022. The Company did not issue any shares pursuant to this mandate obtained.

If approved, the renewal of the general mandate above will provide flexibility to the Company for any potential fund-raising activities and there is no specific purpose and utilisation for the proceeds to be raised under this mandate. Hence, the proceeds to be raised, if any, may be used for funding current and/or future investments, working capital, repayment of bank borrowings, acquisition and/or for issuance of shares as settlement of purchase consideration.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

Meeting	:	**TWENTY EIGHTH ANNUAL GENERAL MEETING**
Date	:	Wednesday, 13 December 2023
Time	:	11.00 a.m.
Broadcast Venue	:	Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Meeting platform	:	https://meeting.boardroomlimited.my ("**Virtual Meeting Portal**")
Mode of communication	:	1) You may type your question(s) in the meeting platform. The Messaging window facility will open concurrently with the Virtual Meeting Portal one (1) hour before the scheduled commencement of the Twenty Eighth Annual General Meeting ("**28th AGM**" or "**Meeting**"), i.e. from **10.00 a.m. on Wednesday, 13 December 2023**. 2) You may submit questions relating to the agenda items of the 28th AGM in advance via Boardroom's website at https://investor.boardroomlimited.com, commencing from **Tuesday, 31 October 2023** and in any event no later than **Monday, 11 December 2023 at 11.00 a.m.** For further details on the mode of communication, please refer to note 5 of this Administrative Guide.

1. Virtual 28th AGM

The Company will continue to leverage on technology to facilitate communication with its shareholders by conducting its 28th AGM entirely via live streaming and online remote voting using remote participation and electronic voting ("**RPEV**") facilities.

The Broadcast Venue is limited to essential individuals required to be physically present at the venue to organise and conduct the virtual 28th AGM of the Company.

Shareholders are invited to participate and vote at the forthcoming 28th AGM via Boardroom Share Registrars Sdn. Bhd.'s meeting platform at *https://meeting.boardroomlimited.my.* **NO SHAREHOLDERS/PROXIES/ CORPORATE REPRESENTATIVES** should be physically present at or admitted to the Broadcast Venue on the day of the 28th AGM.

2. Entitlement to participate and vote at the 28th AGM

Only a depositor whose name appears on the Record of Depositors of the Company as at **Wednesday, 6 December 2023** shall be eligible to participate in the 28th AGM or appoint proxy(ies) or corporate representative(s) to participate and vote on his/her behalf.

As the 28th AGM is a virtual meeting, a shareholder entitled to attend and vote at the Meeting may appoint the Chairman of the Meeting as his/her proxy to attend and vote in his/her stead and indicate his/her voting instructions in the Proxy Form.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

3. *Voting Procedure – Poll Voting*

i. Voting at the 28th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

ii. The Company has appointed Boardroom Share Registrars Sdn. Bhd. ("**Boardroom**") as poll administrator to conduct the poll by way of electronic voting ("**e-Voting**"), and independent scrutineers ("**Scrutineers**") will be appointed to verify the results of the poll.

iii. For the purposes of this 28th AGM, e-Voting may be carried out via personal smart mobile phones, tablets, personal computers or laptops.

iv. The members and proxies who wish to use their personal voting device to vote may access via the website at URL: https://meeting.boardroomlimited.my.

v. Please note that polling will only commence after announcement by the Chairman of poll opening and until such time the Chairman announces closure of the poll. The poll result report will be verified by the Scrutineers, and the results announced thereafter. The Chairman will declare whether the resolutions put to vote are duly passed.

vi. You must ensure that you are connected to the internet at all times in order to participate and vote remotely when the 28th AGM has commenced. It is therefore your responsibility to ensure that connectivity for the duration of the 28th AGM is maintained. Kindly note that the quality of the connectivity to the Virtual Meeting Portal for the live webcast and remote online voting is dependent on the bandwidth and stability of the internet connection at remote participants' locations.

4. *Online Registration Procedure*

i. The RPEV facilities are available to **(i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees.**

ii. If you wish to participate in the Meeting, you will be able to view a live webcast of the Meeting, ask questions and submit your votes in real time whilst the Meeting is in progress.

iii. Kindly follow the steps below on how to request for your login ID and password.

Step 1 – Register online with Boardroom Smart Investor Portal ("BSIP")
(for first time registration only)
[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 – Submit Request for Remote Participation User ID and Password.]

a. Access the website: https://investor.boardroomlimited.com.
b. Click **<<Register>>** to sign up as a user.
c. Please select the account type i.e. sign up as "Shareholder" or "Corporate Holder".
d. Complete registration with all required information and upload a softcopy of your or representative's MyKad (front and back) (for Malaysian), or passport (for foreigner) in JPEG, PNG or PDF format (as the case may be).
e. For corporate holder, kindly attach the authorisation letter as well (template available)
f. Please enter a valid email address, mobile number and password. Click **<<Sign Up>>**.
g. You will receive an email from Boardroom for email address verification. Click **<<Verify E-mail Address>>** to proceed with the registration.
h. Once your email address is verified, you will be re-directed to BSIP Online for verification of your mobile number. Click **<<Request OTP Code>>** and an OTP code will be sent to the registered mobile number. Click **<<Enter>>** to enter the OTP code to complete the process. An email will be sent to you within one (1) business day informing you on the approval of your BSIP account You can login to the BSIP at https://investor.boardroomlimited.com with the email address and password that you have provided during the registration to proceed with the next step.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

Check if your email address is keyed in correctly.
Remember the password that you have keyed in.

Step 2 – Submit Request for Remote Participation User ID and Password
[Note: Registration for remote access will open on ***Tuesday, 31 October 2023***]

Individual/ Corporate Members

- Login to https://investor.boardroomlimited.com using your User ID and Password given above.
- Select <<**MEETING EVENT(S)**>> from the main menu and select the correct Corporate Event <<**TOMYPAK HOLDINGS BERHAD 28th AGM**>> from the list of Meeting Events and click <<**Enter**>>.
- Go to <<**VIRTUAL**>> and click on <<**Register for RPEV**>>.
- Tick << I wish to register for **Remote Participation and Electronic Voting (RPEV) and join the meeting virtually>>** and enter your CDS Account Number.
- Read and agree to the General Terms & Conditions and click <<**Register**>>.

Appointment of Proxy

- Login to https://investor.boardroomlimited.com using your User ID and Password given above.
- Select <<**MEETING EVENT(S)**>> from the main menu and select the correct Corporate Event << **TOMYPAK HOLDINGS BERHAD 28th AGM**>> from the list of Meeting Events and click <<Enter>>.
- Click on <<**Submit e-Proxy Form**>>.
- For Corporate Shareholder, select the company(ies) you would like to represent.
  Note: if you wish to appoint more than one (1) company, please click the home button and select "Edit Profile" in order to add the company's name.
- Enter your CDS Account Number and the number of securities held. Select your proxy - either the Chairperson of the Meeting or individual named proxy(ies).
- Read and accept the terms and conditions by clicking "**Next**".
- Enter the required particulars of your proxy(ies).
- Indicate your voting instructions - FOR, AGAINST or ABSTAIN, otherwise your proxy(ies) will decide your vote.
- Review and confirm your proxy(ies) appointment.
- Click "Submit".
- Download or print the e-Proxy form as acknowledgement.

Authorised Nominees and Exempt Authorised Nominees

- Login to https://investor.boardroomlimited.com using your User ID and Password given above.
- Select <<**MEETING EVENT(S)**>> from the main menu and select the correct Corporate Event << **TOMYPAK HOLDINGS BERHAD 28th AGM**>> from the list of Meeting Events and click <<Enter>>.
- Click on <<**Submit e-Proxy Form**>>.
- Select the company you would like to represent (if more than one).
- Proceed to download the file format for "**Submission of Proxy Form**".
- Prepare the file for the appointment of proxy(ies) by inserting the required data.
- Proceed to upload the duly completed proxy appointment file.
- Review and confirm your appointment and click "**Submit**".
- Download or print the e-Proxy form as acknowledgement.

*Note: if you are the authorised representative(s) for more than one (1) authorised nominee / exempt authorised corporate nominee / corporate shareholder, please click the home button and select "**Edit Profile**" in order to add the company's name.*

Corporate Shareholders/Authorised Nominees/ Exempt Authorised Nominees/Attorneys, you may also write to bsr.helpdesk@boardroomlimited.com and provide the name of the shareholder, CDS account no. and the Certificate of Appointment of Corporate Representative or Proxy Form (as the case may be). A copy of MyKad or passport and a valid email address are required.

*** Check the email address of Proxy or Corporate Representative is written down correctly.**

a. You will receive a notification(s) from Boardroom that your request has been received and is being verified.
b. Upon system verification of your registration against the **28th AGM Record of Depositors as at Wednesday, 6 December 2023** you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
c. You will also receive your remote access User ID and Password along with the email from Boardroom if your registration is approved.
d. If your registration is rejected, a rejection note will be provided to you via email.

*Please note that the closing date and time to submit your request is by **Monday, 11 December 2023 at 11.00 a.m.**

Step 3 – Login to Virtual Meeting Portal
[Note: Please note that the quality of the connectivity to the Virtual Meeting Portal for the live webcast and remote online voting is highly dependent on the bandwidth and stability of the internet connectivity available at remote users' locations.]

a. The Virtual Meeting Portal will open for login one (1) hour before the scheduled commencement of the 28th AGM, i.e. from **10.00 a.m. on Wednesday, 13 December 2023.**
b. Please follow the steps given to you in the email along with your remote access User ID and Password to login to the Virtual Meeting Portal (Refer to Step 2(c) above).
c. The steps given will also guide you on how to view the live webcast, submit questions and vote.
d. The live webcast will end and the Messaging window (for submission of questions) will be disabled once the Chairman announces the closure of the 28th AGM.
e. You can then logout from the Virtual Meeting Portal.

Note to users of the RPEV facilities:

1. Should your application to join the meeting be approved, Boardroom will facilitate your participation in the live stream meeting and remote voting. Your login to the Virtual Meeting Portal on the day of meeting will indicate your presence at the virtual meeting.

2. If you encounter any issues with login, connecting to the live stream meeting or online voting, please call Boardroom at +603 7890 4700 or send an email to bsr.helpdesk@boardroomlimited.com for assistance.

5. Mode of Communication

Shareholders may submit questions relating to the agenda items of the 28th AGM in advance commencing from **Tuesday, 31 October 2023** and in any event no later than **11.00 a.m. on Monday, 11 December 2023** via Boardroom's website at https://investor.boardroomlimited.com, and select <<**SUBMIT QUESTION**>> to pose questions ("**Pre-28th AGM Meeting Questions**").

Alternatively, you may submit any questions for the Chairman/Board during the 28th AGM using the Messaging window facility which will open concurrently with the Virtual Meeting Portal one (1) hour before the scheduled commencement of the 28th AGM, i.e. from **10.00 a.m. on Wednesday, 13 December 2023.**

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

5. *Mode of Communication (Cont'd)*

The Chairman and management will respond to their best endeavours, questions submitted by shareholders which relate to the matters in the agenda of the 28th AGM. Questions that are similar or on the same matter may be consolidated and answered together.

Please note that no recording or photography of the 28th AGM proceedings is allowed without the prior written permission of the Company.

6. *Lodgement of Proxy Form*

Please deposit your completed Proxy Form at the office of Boardroom Share Registrars Sdn. Bhd. at **Level 11, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia,** not less than forty-eight (48) hours before the time appointed for the holding of the 28th AGM, i.e. not later than **Monday, 11 December 2023 at 11.00 a.m.**

Alternatively, the proxy appointment can also be lodged electronically via the "Boardroom Smart Investor Portal" at https://investor.boardroomlimited.com which is available to individual shareholders, not less than forty-eight (48) hours before the time appointed for the holding of the 28th AGM, i.e. **Monday, 11 December 2023 at 11.00 a.m.** For further information, kindly refer to note (4) – "Online Registration Procedure" above.

The lodging of the Proxy Form will not preclude you from personally participating remotely and voting at the 28th AGM should you subsequently wish to do so.

Should you wish to personally participate remotely in the 28th AGM, kindly register your intention to do so via Boardroom's website at https://investor.boardroomlimited.com *(refer to note 4 - Steps 1 to 3 above)*. Please note that upon your registration to personally participate remotely in the 28th AGM, any previous proxy appointment will be deemed revoked. Alternatively, please write in to bsr.helpdesk@boardroomlimited.com to revoke your earlier proxy appointment no later than **Monday, 11 December 2023 at 11.00 a.m.**

7. *Communication guidance*

Shareholders are also reminded to monitor the Company's website and announcements for any changes to the 28th AGM arrangements.

8. *No door gifts/vouchers*

No door gifts or e-vouchers will be distributed to shareholders/proxies who participate in the 28th AGM.

9. *Enquiries*

Should you have any enquiry prior to the 28th AGM or if you wish to request technical assistance to participate the 28th AGM, please contact Boardroom during office hours (8:30 a.m. to 5:30 p.m.) as follows:

Boardroom Share Registrars Sdn. Bhd.

Address	:	Level 11, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan
General line	:	+603 7890 4700
Fax number	:	+603 7890 4670
Email	:	bsr.helpdesk@boardroomlimited.com

TOMYPAK HOLDINGS BERHAD

(Registration No. 199501008545 (337743-W))
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No. ____________________________

I/We, ____(NRIC/Passport/Registration No.: . ______________________)
(Full name in block letters)

of ____
(Address)

being a member/members of **TOMYPAK HOLDINGS BERHAD** hereby appoint(s):

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address			
Address			

and / or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address			
Address			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Twenty Eighth Annual General Meeting (“**28th AGM**”) of the Company to be conducted on a virtual basis through live streaming from the broadcast venue at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on **Wednesday, 13 December 2023 at 11.00 a.m.** or any adjournment thereof in the manner indicated below:

Please indicate clearly with an “X” where appropriate against each resolution how you wish your proxy to vote. If no specific direction to voting is given, the proxy will vote or abstain at his/her discretion.

NO.	RESOLUTION	FOR	AGAINST	ABSTAIN
Ordinary Resolution 1	Approval of Directors’ Fees for the financial year ended 30 June 2023			
Ordinary Resolution 2	Approval of Directors’ benefits			
Ordinary Resolution 3	Approval of Directors’ Fees for the financial year ending 30 June 2024			
Ordinary Resolution 4	Re-election of the retiring Director, To’ Puan Rozana Binti Tan Sri Redzuan			
Ordinary Resolution 5	Re-election of the retiring Director, Lee Kwee Heng			
Ordinary Resolution 6	Re-election of the retiring Director, Lim Bee Leong			
Ordinary Resolution 7	Re-election of the retiring Director, Low Chiun Yik			
Ordinary Resolution 8	Re-appointment of KPMG PLT as Auditors and authorise the Directors to fix their remuneration			
Ordinary Resolution 9	Authority to issue and allot shares pursuant to Section 75 and Section 76 of the Companies Act 2016 and waiver of pre-emption rights			

* *delete whichever not applicable*

Sign this _________ day of ____________________ 2023

Signature/ Common Seal	

Notes:

1. *The 28th Annual General Meeting of the Company (“**28th AGM**”) will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting facilities (“**RPEV Facilities**”) to be provided by the Company’s Share Registrar, Boardroom Share Registrars Sdn Bhd at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC-D6A357657). Please follow the procedures as set out in the Administrative Guide for the 28th AGM in order to attend, participate and/or vote remotely via the RPEV Facilities.*
2. *The broadcast venue of the 28th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be at the main venue of the 28th AGM. Members/proxy(ies) /corporate representatives are not allowed to physically present nor admitted at the broadcast venue on the day of the 28th AGM.*
3. *A proxy must be of full age. A proxy may but need not be a member of the Company.*
4. *A member entitled to attend, participate and/or vote is entitled to appoint not more than two (2) proxies to attend, participate and/or vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
5. *Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
6. *A member who has appointed a proxy or attorney or authorised representative to attend, participate, and/or vote at the 28th AGM must follow the procedures as set out in the Administrative Guide for the 28th AGM to request for Remote Participation.*
7. *If the appointor is a corporation, the Form of Proxy must be executed under its Seal or under the hand of its attorney.*
8. *The instrument appointing a proxy must be deposited at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn Bhd at Level 11, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before the time for holding the virtual 28th AGM or any adjournment thereof, failing which, the instrument of proxy shall not be treated as valid. Alternatively, the Proxy Form can be electronically submitted via Boardroom Share Registrars’ website, Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please refer to the Administrative Guide the 28th AGM for further information on electronic submission.*
9. *Please ensure ALL the particulars as required in the Proxy Form/e-Proxy Form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.*
10. *If you have submitted your Proxy Form/e-Proxy Form and subsequently decide to appoint another person or wish to participate in the virtual 28th AGM yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) at least 48 hours before the 28th AGM.*
11. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote on a poll.*
12. *Last date and time for lodging the Proxy Form/e-Proxy Form is **Monday, 11 December 2023 at 11.00 a.m.***
13. *In respect of deposited securities, only members whose names appear on the Record of Depositors on Wednesday, 6 December 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, participate and/or vote on his/her behalf via the RPEV Facilities.*

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the 28th AGM dated 31 October 2023.

Fold this flap for sealing

Then fold here

AFFIX
POSTAGE
STAMP

TOMYPAK HOLDINGS BERHAD *(Registration No. 199501008545 (337743-W))*

c/o Boardroom Share Registrars Sdn Bhd (378993-D)
Level 11, Menara Symphony
5, Jalan Prof. Khoo Kay Kim
Seksyen 13,
46200 Petaling Jaya, Selangor

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TOMYPAK HOLDINGS BERHAD
Registration No. 199501008545 (337743-W)

Head Office & Main Plant :

No. 11, Jalan Tahana
Kawasan Perindustrian Tampoi
80350 Johor Bahru, Johor Darul Takzim, Malaysia

Tel: +607-535 2222 **Fax:** +607-535 2228
Email: sales@tomypak.com.my / investor@tomypak.com.my

Melaka Plant :

Lot 1293 & 1294, Jalan Industries Rembia 9
Kawasan Perindustrian Rembia
78000 Alor Gajah, Malacca, Malaysia

Tel: +606-316 1199 **Fax:** +606 316 1166
Email: info@spplas.com

KL Office:

Unit 508 & 510, Block A, Kelana Centre Point
No.3, Jalan SS7/19, Kelana Jaya
47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Tel: +603-7880 4233 **Fax:** +603-7880 7233
Email: tpsales@tomypak.com.my

http://www.tomypak.com.my